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# ***Daily Report***

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## **China**

**FBIS-CHI-89-044  
Wednesday  
8 March 1989**

# Daily Report

## China

FBIS-CHI-89-044

### CONTENTS

8 March 1989

#### INTERNATIONAL AFFAIRS

##### General

Envoy Protests U.S. Travel Restrictions at UN [XINHUA] ..... 1

##### United States & Canada

Sino-U.S. Laser Compositor Examined [BEIJING REVIEW 6-12 Mar] ..... 1

##### Soviet Union

Soviets Seek To Help Nuclear Power Industry [Hong Kong HONGKONG STANDARD 8 Mar] ..... 2

Contract Signed With Soviets for Paper Mill [CEI Database] ..... 2

##### Northeast Asia

Japanese Loan To Fund Oilfield Construction [CEI Database] ..... 2

Tianjin Mayor Meets With Japanese Guests [TIANJIN RIBAO 18 Feb] ..... 2

South Korea Takes Delivery of Shanghai Glass [CEI Database] ..... 2

##### Southeast Asia & Pacific

Cultural Group Leaves for Australia, New Zealand [XINHUA] ..... 3

##### Near East & South Asia

Tian Jiyun Meets Rafsanjani in Tehran 7 Mar [XINHUA] ..... 3

##### West Europe

Tian Jiyun Pays Official Visit to Turkey ..... 3

Arrives in Ankara 7 Mar [XINHUA] ..... 3

Sees Improved Relations [XINHUA] ..... 3

China Proposes Ozone Guard Fund at London Talks [XINHUA] ..... 4

Vienna Disarmament Conference Analyzed [XINHUA] ..... 4

##### East Europe

Ambassador Interviewed Upon Leaving Bulgaria [Sofia POGLED 27 Feb] ..... 5

##### Latin America & Caribbean

Banking Corporation To Open Branches in Panama [XINHUA] ..... 6

Shanghai-Built Tanker Delivered to Chile [CEI Database] ..... 6

#### NATIONAL AFFAIRS

##### Political & Social

Further Reportage on Tibetan Riots, Aftermath ..... 7

RENMIN RIBAO on 7 Mar Riots [8 Mar] ..... 7

Lhasa Riots Ease 7 Mar [ZHONGGUO TONGXUN SHE] ..... 7

Martial Law Orders Relayed [Lhasa Radio] ..... 7



Further on Martial Law Meeting [Lhasa Radio] .....	8
Tibet Chairman on Martial Law [Lhasa Radio] .....	9
Martial Law Regulations Issued [RENMIN RIBAO 8 Mar] .....	9
Text of Decree No 1 [Lhasa Radio] .....	10
Text of Decree No 2 [Lhasa Radio] .....	10
Text of Decree No 3 [Lhasa Radio] .....	10
170,000 Troops Deployed Near Lhasa [Hong Kong SOUTH CHINA MORNING POST] .....	11
Military Implements Martial Law [Lhasa Radio] .....	11
'Mass Arrests' Carried Out [AFP] .....	11
More Casualties Reported [Hong Kong MING PAO 8 Mar] .....	12
Situation Reported Calm on 8 Mar [Beijing Radio] .....	12
Situation Under Martial Law Described [XINHUA] .....	13
Foreigners Ordered Out by 9 Mar [KYODO] .....	13
Talks With Dalai Lama Postponed [Hong Kong HONGKONG STANDARD 8 Mar] .....	14
Dalai Lama Urged To Reduce Lhasa Riots [Hong Kong WEN WEI PO 8 Mar] .....	14
U.S., UK 'Regrets' Chided [Hong Kong HSIN WAN PAO 8 Mar] .....	15
Moscow Radio Cites PRC UN Official [Moscow International] .....	15
Tibetans Endorse Martial Law [RENMIN RIBAO 8 Mar] .....	15
Necessity of Martial Law Viewed [Hong Kong TA KUNG PAO 8 Mar] .....	16
Commentary on Situation [ZHONGGUO XINWEN SHE] .....	17
Editorial on 'Separatist Riots'	
Account of 5, 6 Mar Riots [XINHUA] .....	18
Premier Li Peng Stresses Family Planning [GUANGMING RIBAO 2 Mar] .....	20
Li Peng Discusses Reform Orientation [ZHONGGUO JINGJI TIZHI GAIGE 23 Feb] .....	21
Physicist Qian Sanqiang Urges Educational Reform [ZHONGGUO TONGXUN SHE] .....	24
Text of Tian Jiyun's Speech to Greening Meeting [RENMIN RIBAO 22 Feb] .....	24

#### Economic & Agricultural

Rapid Growth of Extrabudgetary Funds Viewed [RENMIN RIBAO 5 Mar] .....	30
Pros Outweigh Cons in Setting Up Stock Market [JINGJI RIBAO 17 Feb] .....	30
Comments on Commodity Economy's Negative Features [NANFANG RIBAO 5 Mar] .....	32
Imported Technology Poses Problems [ZHONGGUO TONGXUN SHE] .....	34
Energy Shortage Causes Drop in Steel Production [CHINA DAILY 4 Mar] .....	34
Model Grain Sellers View Cultivation [NONGMIN RIBAO 1 Mar] .....	35

#### REGIONAL AFFAIRS

##### East Region

Wang Guangyu Addresses Anhui Economic Meeting [Hefei Radio] .....	37
Anhui Secretary Addresses Cultural Conference [Hefei Radio] .....	37
Fujian Provincial Poverty Work Meeting Opens [Fuzhou Radio] .....	37
Jiangsu Congress Standing Committee Session [Nanjing Radio] .....	38
Jiangxi Party, Government Leaders Plant Trees [JIANGXI RIBAO 22 Feb] .....	38
Jiangxi Governor Inspects Jiujiang City [Nanchang Radio] .....	39
Shandong Economic, Trade Symposium Ends [Jinan Radio] .....	39
Shen Zulun Attends Zhejiang Plenary Meeting [ZHEJIANG RIBAO 15 Feb] .....	40
Zhejiang Party Secretary on Developing Technology [Hangzhou Radio] .....	40

##### Central-South Region

Guangdong Outlines Agricultural Measures [Guangzhou Radio] .....	41
Hainan Discipline Inspection Meeting Ends [Haikou Radio] .....	41
Hainan To Issue Visitor Passes to 'Outsiders' [XINHUA] .....	42
Henan Discipline Inspection Work Conference Ends [Zhengzhou Radio] .....	42
Hubei Secretary Meets Model Grain Growers [Wuhan Radio] .....	42
Boosting Grain Production [Wuhan Radio] .....	43

### North Region

Tianjin's Li Ruihuan Visits CPPCC Members [Tianjin Radio] .....	44
---	----

### Northeast Region

Sun Weiber. Attends 2d Congress Presidium Meeting [Harbin Radio] .....	44
Heilongjiang Congress Session Holds 2d Meeting [Harbin Radio] .....	44
Jilin Military District Party Congress Opens [Changchun Radio] .....	45

### Northwest Region

Shaanxi Discipline Inspection Conference Ends [Xian Radio] .....	45
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## PRC MEDIA ON TAIWAN AFFAIRS

Zheng Tuobin Grants Interview to Taiwan Paper [Shanghai Radio] .....	47
Taiwan Ship Seized for Smuggling [ZHONGGUO XINWEN SHE] .....	47
Self-Government League Marks 28 Feb Uprising [Beijing Radio] .....	47
Taiwan Law Institute Inaugurated in Beijing [Shanghai International] .....	48
Commentary on Taiwan's Investment Environment [Beijing International] .....	48
Taiwan Policy on Visiting Mainland Examined [Beijing International] .....	48

## TAIWAN

### Taiwan

CHUNG YANG JIH PAO on Bush's PRC Visit [28 Feb] .....	51
CHINA POST on 'Fang Lizhi Incident' [2 Mar] .....	52
CNA Comments on Mainland-U.S.-USSR Ties [CNA] .....	53
Premier Yu Cited on Mainland Democratization [CNA] .....	54
Foreign Trade Official Cited on Midcast Trade [CNA] .....	54
Trade Official Leaves for Meeting in Europe [CNA] .....	55
Fishery Talks With Philippines Stalled [CNA] .....	55
Dominican General Arrives for Visit [CNA] .....	55
Premier Yu Reports to Legislative Yuan [CNA] .....	55
Premier Yu Comments on Currency Appreciation [CNA] .....	56
Radio Commentary Views Li Talk on Corruption [Taipei International] .....	57
President Li Calls for Stable Commodity Prices [CNA] .....	57
Yu Kuo-hua Cited on 'Good Investment Environment' [CNA] .....	58
Foreign Minister Lien Cited on One China Policy [CHUNG YANG JIH PAO 24 Feb] .....	58
Kuomintang Announces 'Major' Party Reshuffle [CNA] .....	59

## HONG KONG & MACAO

### Macao

Soares Continues Visit; To Leave for Hong Kong [Hong Kong HONGKONG STANDARD 3 Mar] ..	60
Appeals for Smooth Handover [Hong Kong SOUTH CHINA MORNING POST 4 Mar] .....	60
Basic Law PRC Responsibility [Beijing ZHONGGUO XINWEN SHE] .....	61

## General

**Envoy Protests U.S. Travel Restrictions at UN**  
*OW0803023789 Beijing XINHUA in English*  
0100 GMT 8 Mar 89

["China Protests Against U.S. Travel Restrictions on U.N. Chinese Staff"—XINHUA headline]

[Text] United Nations, March 7 (XINHUA)—China today protested against the United States over its recently tightened travel restrictions on U.N. staff members of Chinese nationality and asked the world organization to press the host country to revoke the restrictions immediately.

"The measure imposed by the United States is contrary to norms of international law and detrimental to the special status and nature of the U.N. organization," Ambassador Yu Mengjia, Chinese deputy permanent representative, told the U.N. Committee on Relations With the Host Country which held its regular working session today.

The Chinese ambassador's protest came following the U.S. Government's recent decision to tighten restrictions on the U.N. staff members of Chinese nationality working in New York city by limiting their travel within a so-called range of 25 miles radius of Columbus Circle in Manhattan.

The U.S. decision, which took effect on January 26, 1989, requests the U.N. staff members of Chinese nationality and their dependents to submit written notification for "all non-official travel in the United States by any means of transportation."

Calling the U.S. measure "discriminatory," the Chinese ambassador said that the Chinese Government holds that such a move "constitutes an instance of breach of the legal obligations that the host country has assumed under the U.N. Charter."

According to the Chinese ambassador, over the past few weeks, the Chinese mission to the United Nations has undertaken consultations with the U.S. side and expressed its protest against the U.S. decision.

On January 20, the U.N. secretary-general also protested the U.S. move. In a note to the U.S. Mission to the United Nations, the secretary-general said he "regrets to be once again obliged to express his protest of what is an unjustified and unmotivated measure" against his U.N. staff.

He said that the measure "creates yet another discrimination in the treatment by the host country of staff members of the United Nations Secretariat solely on the basis of their nationality."

However, Ambassador Yu said, "these efforts failed to produce the expected results" and consequently, "we have no choice but to submit this matter to the committee for consideration."

He said that the U.S. action demonstrably violates the integrity and unity of the U.N. Secretariat and runs entirely counter to the essential character of the international civil service.

The ambassador told the committee that the daily life of the U.N. staff members of Chinese nationality and families, including schooling, shopping, visiting friends and relatives, cannot be possibly confined within the 25-mile limit.

The "unreasonable restrictions" by the United States infringe those people's freedom of movement and the right to family and social lives, and therefore violate basic human rights and are inhumane, he said.

## United States & Canada

**Sino-U.S. Laser Compositor Examined**  
*OW0803043489 Beijing BEIJING REVIEW in English*  
6-12 Mar 89 p 31

[Report by Wang Hua and Xiao Bing: "Sino-U.S. Laser Compositor"]

[Text] The Printing Science and Technology Research Institute of China and California's Ideographix Inc. have successfully developed a high quality laser compositing and typesetting system capable of outputting both Chinese characters and foreign languages.

The system offers page make-up facilities, can handle several dozen pages simultaneously and incorporate images and pictures alongside text. Manufactured from advanced laser equipment available on the international market, the compositing system is compatible with laser-setters manufactured in Britain, Japan, America, and China, and can be run on many kinds of computers.

Its main advantage, however, is it costs half the price of similar compositors manufactured elsewhere.

The Printing Science and Technology Research Institute has a fruitful history of cooperation with overseas companies. It has already produced one successful compositing system in partnership with Monotype International of Britain, Shak-ken Co., and Morisawa of Japan which has been used widely in France, America, Singapore, Japan, and Britain.



## Soviet Union

**Soviets Seek To Help Nuclear Power Industry**  
*HK0803072989 Hong Kong HONGKONG STANDARD in English 8 Mar 89 p 7*

[By Tammy Tam in Guangzhou]

[Text] The Soviet Union is marching back into the huge China market, and a key area of interest is Beijing's nuclear power plans.

The Soviets have already agreed to sell two nuclear power plants to China's northeast province of Liaoning, but a senior Soviet official said yesterday Moscow hoped that was only a start.

As China wrestles with a severe energy shortage, the Soviets hope to help with construction of a number of plants, said Anatoly Litiagin, Moscow's deputy trade representative in Beijing.

"A Soviet delegation of nuclear power experts will come to China later this month to exchange technology of nuclear power with Chinese experts," said Mr Litiagin, visiting Guangzhou with a Soviet delegation to a symposium on subway construction.

He said the Liaoning deal "is only a primary stage proposal. But I must say that the Soviet Union is very interested in helping China to develop its nuclear power industry. That's why the Soviet delegation will come later this month."

Mr Litiagin said that after the Chernobyl nuclear accident Moscow carefully re-examined its nuclear equipment and technology.

"We are keeping our nuclear plant safe, and we'll have no reservations when we transfer our technologies to China. We'll tell them everything and show them all of our equipment."

The Soviets are likewise keen to join in non-nuclear power development. Guangdong Province is considering importing Soviet equipment for thermal power generation, and Moscow has signed a contract to help electrify the Kunming-Yunnan railway.

The Soviets helped Beijing with scores of major construction projects in earlier years and is now helping renovate at least 17 of them, said Mr Litiagin.

**Contract Signed With Soviets for Paper Mill**  
*HK0803122389 Beijing CEI Database in English 8 Mar 89*

[Text] Harbin (CEI)—China and the Soviet Union signed a contract early February in Beijing to jointly restructure the Jiamusi paper mill.

The paper mill, built with Soviet aid in the 1950s, is the biggest papermaking enterprise in China, with an annual output of 170,000 tons.

According to the contract, the Soviet Union will invest 134 million Swiss francs and provide designs, equipment and technology for producing 85,000 tons of kraft box paper a year. Most of the conifer material needed in production will also be provided by the Soviet side. The mill will repay the Soviet side with its products.

The project will be completed in five years and all capital outlay recouped in four years. The construction is scheduled to start next year.

## Northeast Asia

**Japanese Loan To Fund Oilfield Construction**  
*HK0703133989 Beijing CEI Database in English 7 Mar 89*

[Text] Tokyo (CEI)—Agreement of an oil loan in Japanese yen equivalent to 900 million U.S. dollars between China and Japan was signed here on March 3.

The loan was part of the second energy loan granted to China by the Japanese government. It will be used for the development and construction of five oil fields including Dagang, Zhongyuan, Liaohe, Xinjiang and Qinghai.

**Tianjin Mayor Meets With Japanese Guests**  
*SK0803061989 Tianjin TIANJIN RIBAO in Chinese 18 Feb 89 p 1*

[Text] On 17 February, municipal Mayor Li Ruihuan met with Hiroaki Kitamura, president of the Asian Exchange Association of Japan, and his party at the Kaiyue Hotel. The guests and the host held cordial and friendly talks.

Li Ruihuan introduced the guests to the situation in Tianjin's opening up and hoped for further strengthening of cooperation and exchanges between both sides. Hiroaki Kitamura expressed the willingness to make efforts to promote the cooperation and exchanges between both sides. Zhang Wei, director of the Foreign Affairs Office of the municipal government, and responsible persons of relevant departments were present at the meeting.

**South Korea Takes Delivery of Shanghai Glass**  
*HK0703133189 Beijing CEI Database in English 7 Mar 89*

[Text] Shanghai (CEI)—Five thousand tons of float glass were shipped to South Korea on March 1.

The Yaohua Pilkington Glass Co. Ltd., a Sino-British joint venture in Shanghai made the float glass. This was the second batch of its products sent to South Korea. The first 5,000 tons were delivered in January. The company

will sell 20,000 tons to South Korea in the first half of the year. A letter of intent to supply 30,000 tons in the second half has been signed.

Yaohua Pilkington Glass Co. Ltd. is the largest British funded industrial project in China which involves an investment of 432 million yuan. Since its operation in December 1987, the company has sold its products to Canada, Australia, Japan, Singapore and Hong Kong.

Last year the company made 147,000 tons of float glass. More than 10 percent of the products was exported. This year, the planned output is 185,000 tons and 40 to 50 percent is for export.

### **Southeast Asia & Pacific**

**Cultural Group Leaves for Australia, New Zealand**  
*OW0703201989 Beijing XINHUA in English*  
1236 GMT 7 Mar 89

[Text] Beijing, March 7 (XINHUA)—A Chinese Government cultural delegation led by Minister of Culture Wang Meng left this afternoon for an official visit to Australia and New Zealand.

### **Near East & South Asia**

**Tian Jiyun Meets Rafsanjani in Tehran 7 Mar**  
*OW0803032189 Beijing XINHUA in English*  
0255 GMT 8 Mar 89

[Text] Tehran, March 7 (XINHUA)—Hashemi Rafsanjani, speaker of Iranian assembly, said today in meeting with the visiting Chinese Vice Premier Tian Jiyun that Iran's decision to develop relations with China is "a result of careful consideration."

Rafsanjani hoped that more Chinese leaders can visit and understand Iran, and draw out long-term plans to develop cooperations with his country.

The Chinese premier, on a five-day visit to Iran, said that the friendly cooperation between China and Iran are not only of great significance for the time being, but also of far-reaching strategic importance.

Tian Jiyun will leave for Turkey this afternoon to continue his five Mideast nations tour.

### **West Europe**

**Tian Jiyun Pays Official Visit to Turkey**  
**Arrives in Ankara 7 Mar**  
*OW0703202389 Beijing XINHUA in English*  
1932 GMT 7 Mar 89

[Text] Ankara, March 7 (XINHUA)—Chinese Vice-Premier Tian Jiyun arrived here this afternoon from Iran for a five-day official visit to improve trade and economic relations between China and Turkey.

Tian told reporters at the Ankara airport that his visit is aimed at promoting mutual understanding and friendship, seeking ways of boosting economic and trade relations between the two countries and exchanging views with Turkish officials on economic reforms.

On his part, Turkish State Minister Adnan Kahveci said that he would hold talks with the Chinese vice-premier on developing economic cooperation between the two countries and he would like to know the experience of China's economic reform, especially the progress achieved since he visited China last year.

He added that the trade volume between Turkey and China surpassed 300 million U.S. dollars last year, and expressed the hope that their trade volume will increase this year.

Tian Jiyun and his 17-member delegation will hold talks with Kahveci, State Minister Yusuf Bozkurt Ozal and Foreign Minister Mesut Yilmaz. In addition, he will meet with Turkish President Kenan Evren and Prime Minister Turgut Ozal.

He will also visit the coastal city of Izmir and ancient capital Istanbul.

Turkey is the second leg of his five-nation Mideast tour, which will also take him to Iraq, Kuwait and the United Arab Emirates.

### **Sees Improved Relations**

*OW0803103889 Beijing XINHUA in English*  
0232 GMT 8 Mar 89

[Text] Ankara, March 7 (XINHUA)—Visiting Chinese Vice-Premier Tian Jiyun said here today that the Chinese and Turkish relations have entered a new stage of mutual respect, mutual trust and cooperation.

The vice-premier said, at a dinner given in his honor by Turkish State Minister Adnan Kahveci, that a new round of mutual visits by Chinese and Turkish leaders has started. But he did not specify the recent scheduled visits.

Adnan Kahveci said Turkey and China should immediately explore possibilities for concrete projects and new cooperative forms to promote cooperation between the two countries in economy, trade, industry and technology in such a way as to be commensurate with the level of political relations between the two countries.

He added that Turkey and China could also cooperate on joint investments and contract projects in third countries.

The premier revealed tonight at an interview to the Turkish state television that mutual economic cooperation has developed very rapidly in recent years. The trade volume between the two countries has reached 300 million U.S. dollars in 1988 as against tens of millions of dollars four years ago.



## INTERNATIONAL AFFAIRS

Turkey sells fertilizer, steel and some agricultural products to China, while China sells petroleum, coal and electrical machinery products to Turkey.

The Chinese vice-premier, who arrived here this afternoon for a five-day official visit to improve trade and economic relations between the two countries, said: "There are great potentialities in the mutual economic cooperation."

### China Proposes Ozone Guard Fund at London Talks OW0803051589 Beijing XINHUA in English 1330 GMT 6 Mar 89

[Text] London, March 6 (XINHUA)—China today proposed an international fund for protection of the ozone layer to support the research and development of alternatives for chlorofluorocarbons (CFCs).

Speaking at the "Saving the Ozone Layer London Conference," Dr Liu Mingpu, head of the Chinese delegation, said: "We hope those who have developed alternatives would transfer gratis the technology to the signatories (of the Montreal Protocol), especially the developing countries, so that the use of CFCs could be substantively reduced throughout the world."

He said China appreciated a proposal submitted by an American institute to U.S. President George Bush, calling on the developed countries to set an example in this aspect for the developing countries.

"This is the glorious mission the developed countries owe to human history. They should not simply lecture the developing countries to do this and not to do that," he said.

Liu also maintained that the economic condition and technical level of the developing countries should be taken into consideration on the process of the research and development of the alternatives.

"The target of reducing the production and consumption of CFCs set by the Montreal Protocol could be reached only after the developing countries could get and apply the technology," he said.

Liu drew the delegates' attention to the issue of who should bear the main responsibility for depletion of the ozone layer.

He said: "The depletion of the ozone layer, discovered in recent years, was the result of emission and accumulation of CFCs over a long period of time, during which the developed countries have consumed 80 percent of the world production, while China consumed less than 2 percent."

He thus concluded that the developed countries should make greater contribution in solving the global problem and aid the developing countries in their efforts to improve their environmental conditions.

Liu pointed out that China, which is on the process of large-scale economic modernization, realized the importance of environmental protection and has been exerting great efforts to solve the environmental and ecological problems with substantial achievements.

He pledged that China will continue its commitment to the global environmental protection and make its contribution.

### Vienna Disarmament Conference Analyzed OW0803020589 Beijing XINHUA in English 0858 GMT 5 Mar 89

["News Analysis: Another Round of East-West Disarmament Bargaining (by Xiao Li)"]—XINHUA headline]

[Text] Vienna, March 4 (XINHUA)—Eastern and Western negotiators are gathering in Vienna to attend a new round of disarmament talks, due to begin Monday, aimed at establishing a lower-level balance of conventional forces in Europe.

The talks between the major opposing military blocs—NATO and the Warsaw Pact—is widely predicted to be a "protracted and complex" one, but with constructive progress.

Thirty-five foreign ministers from the member countries of the Conference on Security and Cooperation in Europe—the United States, Canada, and all European countries except Albania—will be in Vienna for a 3-day opening ceremony. This event is described as a "display of goodwill" by both sides.

The talks, the first in post-war time that cover conventional forces deployed in every part of Europe, will focus on a lower level of conventional arsenals in a bid to diminish both sides' capabilities to launch surprise attacks and large-scale offensives.

The arms category to be bargained on covers all conventional arms and forces, including conventional parts of (nuclear and conventional) dual-purpose systems, that are deployed in the vast area stretching from the Atlantic to the Urals. The talks will not involve naval facilities and chemical and nuclear weapons.

Military planners from the East and West are said to work out ceilings for some kind of arms and the way to use effective verifications to maintain a lower-level balance if achieved.

It had proved to be a difficult job due to the dispute over the assertions of each other's forces deployed in Europe. Such disputes had stalemated the central European conventional disarmament talks for 15 years before it was enlarged to cover the weapons in the whole of Europe.

NATO and Warsaw Pact announced their analyses on conventional power parity later last year and early this year respectively. NATO, claiming in its reports that the Warsaw Pact enjoys nearly 3:2 superiority in total troops in Europe and an absolute superiority in tanks, aircraft, and artillery over the West, demanded the Warsaw Pact reduce by half of its conventional forces.

The Warsaw Pact, on the contrary, claimed that it has almost the same number of troops as NATO has in Europe while NATO has more naval forces. It demanded the West cut naval forces in Europe unilaterally.

The dispute eased with the Vienna follow-up meeting, which concluded in mid-January of this year. Both sides have expressed willingness to diminish the imbalance so as to establish confidence and create a good atmosphere for the talks.

Stephen Ledogar, chief U.S. delegate in the coming negotiations, recently told the press here that NATO will quit the quarrels on the data and specifications of arms categories and strive at the coming round for the ceilings for some conventional arms.

He revealed that the Western alliance might suggest in the talks that each side should deploy in Europe no more than 20,000 tanks, 27,500 armored vehicles and 16,500 guns, with no single country of either side possessing more than 30 percent of the total of each kind deployed by both sides.

History of disarmament in Europe has taught people to be realistic when being optimistic.

On one hand, people have every reason to be optimistic when detente, seeking for dialogue and cooperation and willingness to iron out differences have created a good political basis for arms negotiations between East and West. The unilateral cut of conventional arms announced by the Eastern Bloc also contributed to a certain degree of confidence between the two sides and the possibility of constructing a safer Europe.

But, on the other hand, they could not hope that the confrontation that has lasted for over 40 years could be solved in 1 day or in 1 round of talks.

Beside the considerable differences of stances of the two sides on conventional disarmament, they have also problems within their own blocs, which would affect the progress of the current talks.

NATO members are still arguing whether they should modernize their short-range nuclear missiles, a kind of weapon that could also be used conventionally, while the Eastern countries are facing unstable social problems in their multi-form reforms.

Conventional disarmament also has its special difficulties, such as the wide range that should be covered, complex categories of weapons, and difficulties in verification. Any one could bring a deadlock to the talks.

Nevertheless, the decisive factor in the field is the sincerity and determination to reduce arms and seek a way to a safer world. That is the key for a successful round of conventional disarmament talks.

### East Europe

**Ambassador Interviewed Upon Leaving Bulgaria**  
*AU2802163489 Sofia POGLED in Bulgarian*  
*No 9 27 Feb 89 p 7*

[Interview with Teng Shaozhi, PRC ambassador to Bulgaria, by Penka Cherneva, POGLED correspondent: "One Judges the Year by the Spring"—place and date not given; first paragraph is the newspaper's introduction]

[Excerpt] We conducted this interview virtually on the last day, when the last suitcase was packed, in the style of "hello, goodbye." Three years are a very short period for a diplomat. However, the 3 years that 58-year old Teng Shaozhi spent in Bulgaria as the PRC ambassador were full of remarkable events. We talked about them prior to his departure.

[Cherneva] Do you remember your arrival in Bulgaria? What impressed you most at that time?

[Teng] I arrived in Bulgaria as PRC ambassador at the beginning of spring 1986. I presented my credentials to the chairman of the State Council of the People's Republic of Bulgaria during the traditional Chinese spring holiday. The occasion was a happy, and simultaneously, a symbolic one, because by then one could already sense that spring is asserting itself in Bulgarian-PRC relations.

[Cherneva] What was your most interesting experience during your last days in Bulgaria?

[Teng] I shall leave your beautiful country within several hours. I had many meetings with many Bulgarian party and state leaders, and leaders of many ministries and departments, and I sensed again the Bulgarian people's profound, friendly feelings toward the Chinese people, as well as the fact that the Bulgarian party and state leadership sincerely wishes to further develop our friendly relations. Believe me, this feeling of friendship is a very pleasant thing.

[Cherneva] What professional and comradely advice could you give to your successor, the new PRC ambassador to Bulgaria? What, according to you, are the most appealing aspects of the Bulgarian national character? What is it that you did not like about the Bulgarians?

[Teng] I will tell my successor that the Bulgarians are diligent, wise, and hospitable, and that everywhere throughout Bulgaria he can meet good friends. An interesting person and a great Soviet expert is coming to be the ambassador. We saw him recently on television when he was the translator during the meeting between Eduard Shevardnadze and Zhao Ziyang.

[Cherneva] Several days ago you received the "Madara Horseman" Order—first class. Congratulations! What does it mean to you?

[Teng] I would like to cordially thank you for this high distinction. What does it mean to me? What is more important is that it is an eloquent expression of friendly relations between the CPC and the BCP, the PRC and the People's Republic of Bulgaria, and the Chinese and Bulgarian nations.

[Cherneva] How do you evaluate the present development of our relations? Did you discern any new elements during your tour of duty in Bulgaria? In what areas could we intensify relations?

[Teng] During my term of duty Comrade Todor Zhivkov visited China and Comrade Zhao Ziyang visited Bulgaria in 1987. These were the first mutual visits of Bulgarian and Chinese leaders after the establishment of diplomatic relations between the two countries, and were an important event in their history. These visits marked the beginning of a qualitatively new stage in bilateral relations. Both the Chinese and the Bulgarian sides think that there are many untapped possibilities. There exists a common willingness to further strengthen cooperation in all areas, especially in the areas of economy, trade, science, and technology. [passage omitted]

### Latin America & Caribbean

**Banking Corporation To Open Branches in Panama**  
*OW0703192789 Beijing XINHUA in English*  
0151 GMT 5 Mar 89

[Text] Panama City, March 4 (XINHUA)—The Hong Kong and Shanghai Banking Corporation has started operations in Panama officially this week, as a member of the banking community.

The new bank, of Oriental origin, has opened two branches in Panama, one in Panama City and another one in the Colon Free Zone.

The Hong Kong and Shanghai Banking Corporation, founded in 1865, is one of the biggest banks in the world with 1,300 branches in 50 countries, to which the ones in Panama are now added.

For several years this bank has already been participating in credit card operations related to the activities in the Colon free zone.

The arrival of the new bank in Panama has been seen in local banking circles as the end of the banking crisis and a sign of revival of Panama's international banking centre, currently concentrating 140 national or foreign banks or their representatives.

**Shanghai-Built Tanker Delivered to Chile**  
*HK0703133389 Beijing CEI Database in English*  
7 Mar 89

[Text] Shanghai (CEI)—"Cabo de Horns", an oil tanker of 62,200 tons made by Shanghai Hudong dockyard for Sonap Petrol Shipping Company of Chile was delivered to the Chilean company on March 2.

Authoritative sources said this was the first time a China-made ship entered a South American country. The ship is one of the largest trade items so far between China and Chile.

The tanker is equipped with unmanned engine room, satellite navigation apparatus, satellite communications and telemetering and remote control of oil level.

It meets the demands of some concerned international conventions concerning fireproof, flameproof and pollution-proof standards.

The tanker, 224.6 meters long, 32.2 meters wide, 19.6 meters deep, sails at a speed of 14.75 knots and has a cruising radius of 20,000 miles.



### Political & Social

#### Further Reportage on Tibetan Riots, Aftermath

##### RENMIN RIBAO on 7 Mar Riots

HK0803125089 Beijing RENMIN RIBAO in Chinese  
8 Mar 89 p 1

[XINHUA report: "There Were Still Disturbances in Lhasa Yesterday"]

[Text] Lhasa, 7 Mar (XINHUA)—Hundreds of rioters today continued demonstrating in separate small groups in the streets and alleys. Along the way they beat up people, smashed things, looted shops, and set things on fire.

Shortly after 1100, hundreds of rioters gathered at the door of the Bakuo Road Police Substation shouting slogans and attempting once again to do violent things to the police substation. Later, a group of rioters marched into south-east Bakuo Road and smashed goods and things in shops left intact from yesterday's riots. The rioters also smashed some of the shops and vendors' stands in Chong Cai Kang Bazaar. Afterward, about 300 rioters marched in Bakuo Road and smashed up and set fire to some of the goods stacked up on both sides of the street. There were clouds of dense smoke on the street and the air was punctured by the sounds of explosions from barrels of kerosene and paint which had been set on fire.

Rioters unfurled the "Snow Mountain and Lion" flag in some alleys and shouted slogans about independence for Tibet.

##### Lhasa Riots Ease 7 Mar

HK0703152289 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 1440 GMT 7 Mar 89

["Lhasa Riots Ease Today"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 7 Mar (ZHONGGUO TONGXUN SHE)—According to reports from Lhasa, the riots in Lhasa, Tibet, began to ease today. After 1430 this afternoon, the city remained rather tranquil. There was no further conflict between the police and the rioters.

At 1120, more than 1,000 people staged demonstrations in the government office on Bajiao Street; at 1220, the processions began to disperse. At 1238, more than 60 people who had covered their faces with masks smashed, looted, and burned shops and houses on Beijing Road East. At around 1300, more than 1,000 people looted and burned things at the tax office of Town District on Beijing Road East.

At 1420, the police were ordered to disperse the rioters. The situation then calmed down. According to police, the rioters also restrained themselves after they knew that the government would take measures against them.

### Martial Law Orders Relayed

HK0803022489 Lhasa Tibet Regional Service  
in Mandarin 0100 GMT 8 Mar 89

[Text] At 1700 yesterday, the regional party committee and people's government held a meeting of leading party-member cadres of the regional organs and of Lhasa City to relay the State Council's circular on enforcing martial law in Lhasa City of the Tibet Autonomous Region and to set forth some specific demands on relaying and implementing this circular. Present at the meeting were leading comrades of the regional party committee, the regional people's government, and Tibet Military District, including Hu Jintao, Doje Cering, Mao Rubai, Dangzin, Gyanincain Norbu, Hu Songjie, and Zhang Shaosong.

Regional Party Committee Secretary Hu Jintao chaired the meeting and read out the text of the State Council circular on enforcing martial law in Lhasa City of the Tibet Autonomous Region.

Regional Government Chairman Doje Cering made an important speech on how to relay and implement the spirit of the State Council circular. He said: We must correctly understand the importance of the policy decision adopted by the CPC Central Committee and State Council. The proclamation of martial law in accordance with the provisions of the constitution is an important step taken by the CPC Central Committee and State Council with a view to restoring stability in Lhasa.

As everyone knows, since September 1987, separatist elements inside and outside the region have continually plotted and created riots and disturbances in Lhasa, with the aim of splitting the motherland. They have seriously sabotaged order in production, daily life, and work, the region's political situation of stability and unity, and the happiness and tranquillity of the people of all nationalities in Lhasa.

Recently the separatist elements have become even more unbridled and arrogant. They have regarded our restrained attitude in controlling the situation as weakness to be taken advantage of, and have gone even further in engaging in beating, smashing, looting, and burning, causing serious losses to people's lives and property.

In these circumstances, if we fail to take decisive measures to prevent the situation from developing still further, serious damage will be done to Lhasa's economic construction and to life and property. The decision of the CPC Central Committee and State Council fully displays the party's and government's concern for the people of all nationalities and all walks of life in Lhasa. It represents the will of the cadres and masses and the fundamental interests of the people of all nationalities in Tibet, and it will certainly be endorsed and supported by the cadres, workers, and masses of all nationalities in

Tibet. On the other hand, it also serves as a warning to those at home and abroad who attempt to organize splits, and will lay a foundation for the future stability of Tibet.

After speaking on measures to be taken in Lhasa after the imposition of martial law, Chairman Doje Cering put forward demands on the leaders of all units and the complete body of party members. He said: After this meeting, you must immediately relay the decision of the CPC Central Committee and State Council to the complete body of party members. The party members must implement the martial law regulations in a model way and do a good job of propaganda and education work for the cadres and workers. The regional departments and the Chengguan District of Lhasa and the counties in the area covered by martial law must organize the cadres to conduct propaganda for the masses and the clergy and laity and explain things to them. There are five focal points in conducting propaganda and giving explanations:

- 1) The reasons for and meaning of imposing martial law.
- 2) What to do after martial law is imposed. The clergy and laity, and the masses must be taught to take the initiative in assisting the government and the public security departments in their work, to promptly provide true information, and to support the public security departments in cracking down on a few separatists and criminals and law breakers who engage in beating, smashing, looting, and burning.
- 3) Reiterate that the party policies are unchanged. Martial law is an extraordinary measure that is only directed at separatists who plot riots and threaten the safety of life and property. The party's policies on the united front, nationality, and freedom of religious belief, and economic policies will be maintained unchanged.
- 4) Full consideration has been given to the interests of the state and the masses in formulating the various martial law measures. The measures are both strict and [word indistinct]. We must take sanctions against the rioters and also ensure that the rights of the masses are guaranteed.
- 5) We must conduct education in ethnic unity. The riots were stirred up by a few separatists, and the Tibetan and Han cadres and masses and those of other nationalities are all victims. We must unite and work in concert to wage resolute struggle against the separatists.

#### Further on Martial Law Meeting

HK0703160689 Lhasa Tibet Regional Service  
in Mandarin 1430 GMT 7 Mar 89

[Summary from poor reception] On the afternoon of 7 March the regional party committee and regional people's government held a meeting to relay the State Council's decision on enforcing martial law in the Tibet Autonomous region and to set forth some specific requirements on the implementation of this decision. Present at the meeting were some leading comrades of the regional party committee, the regional people's government, and the Tibet Military District, including Hu Jintao, Doje Cering, Danzim, and Gyaincain Norbu.

"Regional party committee Secretary Hu Jintao presided over the meeting and read aloud the full text the State Council's decision on enforcing martial law in Lhasa, Tibet Autonomous Region."

"During the meeting regional government Chairman Doje Cering delivered an important speech on how to implement the decision of the party Central Committee and the State Council." He urged the participants in the meeting to acquire a correct understanding of the important significance of the decision adopted by the party Central Committee and the State Council. He said: "The proclamation of martial law according to the provisions of the Constitution is an important step taken by the party Central Committee and the State Council with a view to restoring stability in Tibet." "This decision fully displays the party's and the government's concern for the Tibetan people of all nationalities and all walks of life. It represents the will of the vast number of cadres and masses and the fundamental interests of the Tibetan people of all nationalities, and it will certainly be endorsed by cadres, workers, and masses of all nationalities throughout Tibet. On the other hand, it also serves as a warning to those who intervene in China's internal affairs and those who insist on independence for Tibet and liberalization both at home and abroad and will lay down a foundation for the future stability of Tibet."

After analyzing the situation in Lhasa, Chairman Doje Cering required leaders at various levels to immediately relay the central leadership's decision to all party members. He also required that all party members set a good example in implementing all decrees in the martial law period and play a positive role in conducting propaganda and education among the masses.

He pointed out that it is necessary to give explanations to the masses and help them understand the reason and significance of the enforcement of martial law, so that the clerical and secular masses will take the initiative in assisting the government and the public security department to enforce martial law by providing information in good time and blows will be dealt to the criminal offenders who smash, loot, and burn things.

He stressed that the party's policies in all fields will remain unchanged. Martial law is an extraordinary measure that is only directed at a small number of rioters who disrupt public order. The party's united front, nationality, and religious policies, as well as all economic policies, will remain unchanged.

In the course of enforcing martial law, it is necessary to both deal blows at the separatist rioters and unite and protect the masses. The riots were stirred up by a small number of separatists, and the Han and Tibetan masses are all victims. We should unite to firmly fight against the separatists.



**Tibet Chairman on Martial Law**  
HK0803024689 Lhasa Tibet Regional Service  
in Mandarin 0100 GMT 8 Mar 89

[Broadcast talk by Tibet Regional Government Chairman Doje Cering—recorded]

[Text] Since September 1987, a few separatist elements have frequently plotted and caused riots and disturbances in Lhasa, with the aim of splitting the motherland. They have seriously damaged order in the city's production, daily life, and work, and the region's political situation of stability and unity. In recent days, the separatists have become even more arrogant. They have regarded our restrained attitude as weakness to be taken advantage of, and have gone still further in beating, smashing, looting, and burning, and other criminal activities, seriously threatening life and property.

In these circumstances, if we fail to take decisive measures to prevent the situation from developing still further, Lhasa's economic construction and people's lives and property will be threatened still more. The State Council has decided to impose martial law on Lhasa City. This decision reflects the desires of the people of our region and represents the fundamental interests of the masses of the region. It fully embodies the State Council's concern for the masses of all nationalities in the region. It is also a stunning blow at the separatist elements. It is sure to be enthusiastically supported by the masses throughout the region.

In accordance with the State Council's martial law decree, the Tibet Autonomous Regional People's Government Decrees 1, 2, and 3 have been issued. These are measures for exercising martial law in the Lhasa City area, cracking down on the separatists, protecting the masses, and stabilizing still faster and better the situation in Tibet.

Imposing martial law does not mean that the policies are changed. I reiterate again that we will continue to implement unswervingly the party's policies on the united front, nationality, and on freedom of religious belief, and the other policies welcomed by the masses. During the martial law period, [words indistinct].

The people of all nationalities in Tibet have always insisted on the motherland's unity and ethnic solidarity. During the martial law period, the regional people's government calls on the cadres of all nationalities to mobilize the peasants and herdsmen, the urban residents, intellectuals, the patriotic figures of all sectors, and the citizens at large to take a firm and clear-cut stand in upholding the motherland's unity, implement the martial law regulations in a model way, and closely cooperate with the public security forces, armed police, and PLA in carrying out their work, and wage resolute struggle against the small number of separatist elements, making greater contributions to accomplishing permanent tranquillity in Tibet.

**Martial Law Regulations Issued**  
HK0803105089 Beijing RENMIN RIBAO in Chinese  
8 Mar 89 p 1

[Dispatch by reporter Lu Ziaofei (4151 1420 7378): "Tibet Autonomous Regional Government Issues Regulations on Martial Law"]

[Text] Lhasa, 3 March—Tibet Autonomous Region People's Government Chairman Doje Cering has issued three orders on behalf of the regional authorities to enforce martial law in accordance with the the State Council's decision, signed by Premier Li Peng today, imposing martial law in Lhasa. The orders have made strict regulations on the areas in which martial law is enforced, activities affected, including gatherings and possession of guns and ammunition, and traffic control while martial law is in effect. Chairman Doje Cering read the relevant orders by the regional authorities in both Tibetan and Chinese during a television broadcast at 20:00 this evening.

The first order states that martial law will be imposed within Lhasa City limits and the surrounding area between Lamu Township, Dagze County, in the east and Dongga Township, Dopoling County in the west beginning at 0000 [0600 GMT] on 8 March. All meetings, parades, strikes, petitions, and other gatherings are banned while martial law is in effect. Traffic control is to be imposed and every person or vehicle must be authorized and pass a security check before entering the cordoned-off area. No foreigner is allowed to enter the area without permission and foreigners now staying in the area without special permission are required to leave when instructed to do so by the authorities. Any illegally held guns and ammunition will be confiscated and no personnel, except those on duty to enforce martial law, are allowed to carry lethal weapons. Public security departments and personnel on martial law duty have the right to search suspects and places where criminals may hide. Any person who defies martial law or who instigates others to do so will be severely punished according to the law.

The second order stipulates that no one is allowed to instigate separatist actions by any means or in any place, create disturbances, urge people to attack government institutions, destroy public property, or conduct illegal activities like beating, smashing, looting, and burning. Public security, armed police, and PLA personnel on duty have the right to take necessary measures to put down disturbances. They can detain troublemakers on the spot and take action against anyone who resists arrest.

The third order gives details of traffic control measures to be imposed in the cordoned-off area.

**Text of Decree No 1**

*HK0803031489 Lhasa Tibet Regional Service  
in Mandarin 0100 GMT 8 Mar 89*

["Text" of Tibet Regional People's Government's Decree No 1]

[Text] In accordance with the State Council's decree on martial law, the Tibet Regional People's Government issues the following orders:

1. Beginning at midnight on 8 March 1989, martial law will be imposed within Lhasa City and in the area west of Lamu Township of Dagze County and east of Dongga Township of Doilungdeqen County.
2. During the martial law period, all assemblies, parades, workers' strikes, students' strikes, petitions, and other gatherings are strictly banned.
3. Traffic control is to be imposed in the cordoned area. Any person or vehicle going in or out of the cordoned area must complete entry and exist formalities as required and pass a security check.
4. No foreigner is allowed to enter the cordoned area without permission. Foreigners now staying in the cordoned area must leave within a set time, except for those with special permission.
5. Any illegally possessed guns and ammunition will be confiscated. No personnel, except those on duty to enforce martial law, are allowed to carry dangerous articles such as guns and ammunition.
6. The public security organs and personnel on martial law duty have the right to search people suspected of causing riots, places where criminals may be concealed, and other suspicious places.
7. Any person who defies martial law or incites others to do so will be severely punished according to the law.

Tibet People's Government Chairman Doje Cering

7 March 1989

**Text of Decree No 2**

*HK0803040289 Lhasa Tibet Regional Service  
in Mandarin 0100 GMT 8 Mar 89*

["Text" of Tibet Regional People's Government Decree No 2]

[Text] In order to preserve the motherland's unity, ensure the security of the citizens' lives and property, and protect public property from encroachment, the Tibet Regional People's Government issues the following orders:

1. In no way is anyone allowed to instigate separatist actions against the country, cause riots, gather to attack state organs, destroy public property, or engage in sabotage activities such as beating, smashing, looting, and so on anywhere.

2. If such acts occur, the public security cadres and police, armed police, and PLA personnel on duty have the right to take the necessary forceful measures to quell them as soon as possible. People committing such acts can be detained on the spot. If they resist, the personnel on duty can take action against them according to law.

3. Organs, units, institutions, and citizens must immediately apprehend on the spot the troublemakers referred to in this decree or divulge their hiding places and turn them over to the judicial departments to be dealt with according to the law

4. The judicial departments must immediately investigate criminals referred to in this decree and punish them severely and swiftly in accordance with the NPC Standing Committee decision on punishing criminals who seriously endanger social order and with the relevant regulations.

Tibet Regional People's Government Chairman Doje Cering

7 March 1989

**Text of Decree No 3**

*HK0803045289 Lhasa Tibet Regional Service  
in Mandarin 0100 GMT 8 Mar 89*

["Text" of Tibet Regional People's Government Decree No 3]

[Text] In accordance with the State Council's decree on martial law, the Tibet Regional People's Government has decided to enforce traffic control within the cordoned area during the martial law period, and hereby issues the following orders:

1. Motor vehicles may not be operated without individual permits or temporary permits issued by the traffic police of the Lhasa City Public Security Bureau. Those with temporary permits must operate within the stipulated times on the designated routes.

2. Pedestrian traffic. Cadres, staff, and workers must carry documents proving their identity, together with identity documents issued by their units. The PLA and armed police officers and men must carry military permits. Public security cadres and policemen must carry work permits or documents stating their duties. Students must carry student permits or identity documents. All persons must carry residential identity documents or documents issued by organs or residents' committees. Persons from elsewhere



must carry proof of business and lodging. Monastery monks must carry permits issued by their democratic management committees. Pre-school aged children must be in the charge of adults.

3. When entering the cordoned area, all motor vehicles must have permits issued by people's governments at or above county level and also complete formalities for temporary permits. People entering the cordoned area from outside must carry identity documents issued by people's governments at or above county level, and also complete business and lodging formalities within 5 hours of entering the area. Regional cadres, staff, and workers transferred or returning from the interior must enter with documents proving their identity.

4. All persons and vehicles leaving the cordoned area can only do so with the permission of responsible persons of organs and units at county level and above and carry identity documents issued by their units.

5. Vehicles and persons within the cordoned area and moving in and out of it must pass military and police security checks.

6. The personnel on duty have the right to investigate anyone violating these regulations and may take forceful measures on the spot to apprehend them and hold them accountable.

Tibet Regional People's Government Chairman Doje Cering

7 March 1989

#### 170,000 Troops Deployed Near Lhasa

HK0803031589 Hong Kong SOUTH CHINA  
MORNING POST in English 8 Mar 89 p 1

[Text] The Central Government has deployed about 170,000 troops, made up of 17 divisions of the People's Liberation Army, within striking distance of Lhasa, according to military experts.

The divisions are largely artillery units, equipped with howitzers, mortars and anti-aircraft guns, infantry and paratroopers but no armor.

A large air force of fighters, bombers and U.S.-made Sikorsky helicopters could be supplemented by six CS-47 helicopters recently acquired from the United States.

There are two or three divisions of the People's Armed Police (PAP), numbering about 30,000 officers and men.

Military experts said deployment in Tibet provided for internal security purposes as well as for national defence, particularly following border tension with India in 1987.

The situation has since eased and only an estimated 50,000 troops were deployed along the border with India.

#### Military Implements Martial Law

HK0803125889 Lhasa Tibet Regional Service  
in Mandarin 1130 GMT 8 Mar 89

[Text] The Tibet Military District immediately dispatched its units to undertake duties in Lhasa as soon as the State Council issued its decree on martial law. The officers and men have stood firm at their posts and strictly carried out the State Council decree. The masses universally declared: We feel a sense of security with the PLA patrolling the streets. We will cooperate in implementing the State Council's martial law decree and completely smash the separatist conspiracy.

Within 24 hours of entering the cordoned area the fully armed PLA officers and men, who are carrying their own food, have overcome all kinds of difficulties and displayed great vigilance in checking pedestrians and vehicles and not allowing a single scoundrel to escape. They have strictly observed mass discipline and implemented the party's policy on nationality and religion. Their actions have been deeply welcomed by the cadres, masses, clergy, and laity.

Tibet Military District leaders Zhang Shaosong and Liu Yongkang inspected the units' performance on 8 March. They expressed the hope that, through our station's broadcast, more of the masses will be able to understand the security check measures being undertaken by the units during martial law and will further step up Army-people cooperation to ensure stability in Lhasa.

#### 'Mass Arrests' Carried Out

HK0803145889 Hong Kong AFP in English 1435 GMT  
8 Mar 89

[By Patrick Lescot]

[Text] Beijing, March 8 (AFP)—The Chinese Army carried out mass arrests in Lhasa during the first day of martial law Tuesday in the Tibetan capital, according to foreigners reached there by telephone.

"Helmeted soldiers armed with machine-guns are everywhere. I can see at least 100 in our street alone," French traveller Jacques Launey said.

The 27-year-old Parisian said guests had been told not to leave the hotel he was staying in and added that police had woken them during the night and told them they must leave the city within 48 hours.

Tibetans in the hotel, located in the centre of Lhasa, said they had seen the army carry out hundreds of arrests during house-to-house searches in the city's Tibetan quarter.

They said those taken into detention included men and women and many teenagers who have reportedly played a major role in the three days of rioting that preceded the imposition midnight Tuesday (1600 GMT) [times as received] of Chinese Premier Li Peng's martial law order.

At least 12 people, including a policeman, were killed Sunday and Monday in the anti-Chinese protests by official count. Tibetans have put the dead at up to 60, Mr. Launey said.

Mr. Launey, citing eye-witness accounts from other hotel guests, said the arrests had triggered scenes of hysteria with women shouting abuse at the Chinese troops. "Most of them are terrorized," he said.

Mr. Launey said another tourist in the hotel, who could speak Chinese, had successfully made a two kilometre (one mile) journey across the city.

He cited the tourist as saying that Chinese troops were patrolling the streets while the Tibetan population were lying low in their homes.

The witness saw a jeep-load of troops screech to a halt beside two Tibetan pedestrians and force them to get into the vehicle.

"There were only a few children playing in the streets and the odd bicycle or two passing by the smoking ruins of Chinese shops and restaurants destroyed by the Tibetans," said Mr. Launey, who was cut off several times on the Beijing-Lhasa telephone link.

The government, faced with the possibility of insurrection, on Monday announced that it was imposing martial law over Lhasa—the first time that such a step had been taken since the People's Republic was founded in 1949.

At least 2,000 troops, ferried in aboard dozens of army jeeps and trucks, took up positions in Lhasa as the curfew came into effect at midnight Tuesday, witnesses said, adding that the soldiers were armed with heavy machine-guns.

Mr. Launey said that Chinese police entered his hotel at three in the morning to wake up all the guests and tell them that martial law had been imposed in the city and they must leave Lhasa within 48 hours.

The Frenchman said that most Tibetans he had talked to had put the toll from the riots at between 50 and 60 dead and at least 100 injured.

Witnesses have said that most of the wounded were in hiding fearing arrest if they went to hospital.

Travellers said there were about 80 foreigners in Lhasa and added that they were having problems contacting their countries' embassies in Beijing due to poor communications between the two cities.

Sources in Beijing said a Western journalist had been arrested and interrogated for several hours overnight, adding that he had been told by the authorities an investigation would be launched into his case.

Diplomats and observers here said martial law had been imposed primarily to forestall widescale anti-Chinese demonstrations on Friday—the 30th anniversary of a failed nationalist uprising that left some 10,000 people dead.

#### More Casualties Reported

HK0803031989 Hong Kong MING PAO in Chinese  
8 Mar 89 p 8

["Official Sources Say 12 People Died and 110 Others Were Wounded During 3 Days' Bloody Riots in Lhasa"]

[Text] According to news dispatches from Beijing and Chengdu, antigovernment riots in Lhasa, capital city of Tibet Autonomous Region, entered the third day yesterday. Official statistics suggest that so far 12 people including a public security officer have died and over 110 others have been wounded. But according to estimations by some tourists returning from Lhasa, 50 people have died and several hundred others have been wounded.

Some Westerners in Lhasa disclosed that over 100 Tibetans demonstrated in Lhasa yesterday and shouted anti-government slogans while several hundred onlookers were watching.

Some Westerners in Chengdu said that public security personnel did not interfere in the demonstration, which was much less violent than the bloody riots on Sunday and Monday. An unconfirmed report says that a public security bureau and a taxation bureau were set on fire.

Some tourists revealed that Chinese public security officers opened fire at some Tibetans in Lhasa yesterday whereas a group of separatists were holding banners marked with the "Snow Mountain and Lion" during a demonstration in the downtown area. They also burned some Chinese commodities.

Some Tibetans continued to throw stones at Chinese citizens. An American tourist said that he saw a Chinese of the Han nationality running in the downtown area, face and neck bleeding.

#### Situation Reported Calm on 8 Mar

OW0803113789 Beijing Domestic Service  
in Mandarin 1030 GMT 8 Mar 89

[By station reporters (Zhang Jianyuan) and (Cairang Doje); from the "National Hookup" program]

[Text] Martial law became effective from 0000 today in Lhasa. Following the enforcement of martial law, the situation in the city calmed down.

This morning, these reporters saw citizens, who had lived in terror for 3 days and 3 nights, look perfectly relaxed and getting around with their ID or employee cards.

At 0900, before people went to work, these reporters visited the sites where a handful of separatists had caused disturbances. There were fewer pedestrians than usual in Bajiao Street. Some people looked around on the streets while others were passing through after undergoing ID checks.

In the streets surrounding Jokhang Temple, the reporter asked armed policemen about the situation following the enforcement of martial law. They said: The place was quite calm last night; nothing much happened. These reporters saw several old men turning their prayer wheels.

At around 1000, the reporters went to (Linkuo) Street East and the atmosphere there was even calmer. Many shops had already begun business.

In front of the (Balangxue) Hotel in Beijing Road East, some 20 to 30 foreigners were awaiting their departure.

#### **Situation Under Martial Law Described**

HK0803024989 Beijing XINHUA Hong Kong Service  
in Chinese 1820 GMT 7 Mar 89

["Midnight in Lhasa"—XINHUA headline]

[Text] Last night, the sky over Lhasa was blue, and the stars twinkled. It was especially quiet. After experiencing panic and terror over the past 3 days and nights, almost all the people were sound asleep. Lamplights could be seen through the windows of a small number of households.

Our reporters walked around several main streets and some lanes in Lhasa, and saw PLA soldiers, who were on guard duty, solemnly standing on the two sides of the street. Everywhere we traversed, we found that things were very quiet.

When we arrived at Bakuo Road, we made a detour around the circular street. We saw lamplights through the windows of seven or eight households. Most residents had fallen asleep. On the afternoon of 7 March, several hundred rioters made trouble on this circular street. The street was still cluttered with the goods shelves of peddlers. The southeastern corner of Bakuo Road was the "most serious disaster area," in which the rioters burned shops. Smoke still rose from the shops. Burned goods were scattered here and there, giving off a foul smell. The huge golden pillar, revered by the masses who have a religious belief, was cut off and burned. Half of it was lying on the ground, and the other half was still smoldering.

On Beijing Road East, which was most seriously damaged by the rioters, fire and smoke had not yet been completely extinguished. Remains of broken walls and the wreckage of damaged bicycles could still be seen in

many places. We saw members of the armed police force standing on the roadside. Major General Li Jiarui, general chief of the armed police force in Tibet, also patrolled some street and lanes.

Major General Zhang Shaosong, political commissar of the Tibet Regional Military Command who has been standing fast at his post in the general command headquarters, told our reporters that acting under orders of the Chengdu Military Region, all units under the Tibet Regional Military Command, arrived at their designated locations on schedule. The chief of a certain unit, who is responsible for the enforcement of martial law on Beijing Road Center, also told our reporters that due to the beating, smashing, looting, and burning of rioters, students could not go to school, workers could not work, and shops could not open. We must protect the construction and tranquility of Tibet with our own actions.

#### **Foreigners Ordered Out by 9 Mar**

OW0803094589 Tokyo KYODO in English  
0910 GMT 8 Mar 89

[Text] Beijing, March 8 KYODO—Authorities in the Tibetan capital of Lhasa ordered all foreign tourists to leave the city by Thursday noon [9 March] as martial law was imposed in the area from midnight Tuesday, according to reports reaching here.

On Tuesday, the central government of China declared martial law in the capital city of the Tibet Autonomous Region where pro-independence rioting has been raging, according to Chinese officials.

The government of the Tibet Autonomous Region on Tuesday night announced orders concerning the imposition of martial law, banning meetings, strikes, petitions and any other forms of gathering in Lhasa and the surrounding areas while martial law is in effect, according to XINHUA.

The order also said no foreigners were allowed to enter the area without permission and foreigners staying in the area without special permission were required to leave when instructed to do so by the authorities.

Meanwhile, the XINHUA NEWS AGENCY on Wednesday morning reported that when martial law was imposed at midnight, the city was quiet and almost all people were sound asleep.

Riots had continued Tuesday afternoon as hundreds of rioters stormed through the streets and lanes of the Tibetan capital, looting shops and attacking police and onlookers, XINHUA said.

The imposition of martial law followed serious riots over the past few days in which 11 people have been killed and many more injured, XINHUA said.



### Talks With Dalai Lama Postponed

HK0803031789 Hong Kong HONGKONG STANDARD  
in English 8 Mar 89 p 7

[By Yau Shing-mu and Fan Cheuk-wan]

[Text] The Chinese government would not hold talks on the future of Tibet with the Dalai Lama until order was restored in Lhasa, a leading official said yesterday.

Despite the violence that has rocked Tibet's capital this week, Beijing has yet to call off proposed talks. But they are likely to be put aside as authorities cope with the latest round of disturbances to hit the Himalayan region.

It has been learned Beijing wrote to the Dalai Lama late last year suggesting he discipline his followers so "a favourable atmosphere for talks" could be created.

However, Madam Chen Xin, deputy director of the State Commission of Nationalities Affairs, told the HONGKONG STANDARD yesterday the state of tension in Lhasa would have the opposite effect.

Chinese authorities are additionally irritated by the Dalai Lama's appeal to world leaders to put pressure on Beijing to stop human rights abuses in Tibet.

Madam Chen blamed the "Dalai clique" and "a small number of separatists" for instigating the bloody anti-Chinese riots which erupted on Sunday in Lhasa.

"The riots definitely affected the proposed talks because they (rioters) could not have no link with the Dalai Lama.

"The talks can only be held when both sides show their sincerity. If the Dalai Lama continues to instigate riots in Tibet, I can't see any possibility for the two sides to talk in such a hostile atmosphere.

"The Tibetan Youth Congress always organizes anti-Chinese demonstrations in India and Switzerland. They did not create a sincere and constructive climate for the talks," she said.

"We must first clam down the situation in Lhasa, then we consider the talks."

Madam Chen accused the Dalai Lama of trying to "borrow foreigners' hands to meddle in Tibetan affairs" and said the spiritual leader "would never succeed in doing so."

"The basic policy of China is to prevent any foreign intervention into our internal affairs. The international public opinion will not affect China's decision-making process, we will act according to our set national policy," she said.

"The Dalai Lama's attempt to make use of foreign pressure to affect China's policy is unrealistic."

Madam Chen said the Chinese government would not shelve the plan for talks, but a time would not be fixed in the near future.

Tibet's government-in-exile reaffirmed its hope for early talks with Beijing over the future of the region.

Mr Tashi Wangdi, foreign minister of the government-in-exile, said its leaders still felt an early entry into negotiation would help reduce tensions.

"It would create better atmosphere there. We've already conveyed this message to Beijing," Mr Tashi Wangdi said.

Despite their hope for early talks, Mr Tashi Wangdi said the exiles would not comply with Chinese demands to remove a Dutch lawyer from their negotiating team.

"He is not a member of the team. He is just an adviser. He has served us for many years and we'll benefit from him. We think the central thing is he is not a full member," Mr Tashi Wangdi said.

Beijing rejected the Dutch involvement because it sees the talks is purely a domestic matter.

Mr Tashi Wangdi defended the Lhasa rioters and attacked "indiscriminate shootings" by police.

He denied charges of looting by Tibetans.

### Dalai Lama Urged To Reduce Lhasa Riots

HK0803034889 Hong Kong WEN WEI PO  
in Chinese 8 Mar 89 p 1

[Dispatch by staff reporter Chen Hsi-lai (7115 0823 0171): "An Official From the State Nationalities Affairs Commission Is Optimistic About Putting Down the Riots"]

[Text] Beijing, 7 Mar—A top official from the State Nationalities Affairs Commission told a group of reporters today that she was optimistic about putting down the riots in Lhasa. The Tibetan government has adequate measures and people to prevent the incidents from deteriorating, she added.

She pointed out that the Dalai Lama should reduce his activities aimed at creating riots in Lhasa, so as to express his sincerity for negotiations.

**U.S., UK 'Regrets' Chided**  
*HK0803100889 Hong Kong HSIN WAN PAO*  
*in Chinese 8 March 89 p 3*

["Evening Talk" column by Yang Chu (5017 2612):  
"Can California Be Separated from the United States?"]

**[Text] Brothers and Sisters**

The Tibetans are Chinese, not foreigners. They are one of the member nationalities constituting the Chinese nation.

Both the Tibetans and the Hans are members of the Chinese nation. China consists of several scores of nationalities, including the Tibetan nationality and the Gaoshan nationality in Taiwan. All are referred to as the Chinese nation. China is an integrated whole, as is the Chinese nation, which cannot be separated.

**Sharing Weal and Woe**

An integrated whole that cannot be separated means sharing weal and woe and with the fate of the people of all nationalities bound together.

During the "Cultural Revolution," "leftist" policies were implemented in Tibet and our Tibetan compatriots suffered. In other parts on the mainland people of all nationalities also suffered, including the Hans.

The Great Master Bainqen therefore said: The "Cultural Revolution" was not a disaster catering only to the Tibetans (not his original words but the gist of his statement).

**Separatist Actions Are Crimes**

With implementation of the policy of reform and opening up in China today the economic life has been improved, the political atmosphere has been relaxed, and people of all nationalities have benefited from it. This does not hold true exclusively for the Hans with an exception being made regarding the Tibetans.

It is wrong for Tibetan rioters to shout slogans opposing the Hans. Their beating of every individual Han and robbing every store run by Hans are outright crimes!

Their slogan for "independence" is wrong and actions splitting China are also outright crimes!

**Safeguarding Unification**

The central people's government, namely the State Council, has imposed martial law on Lhasa. This has shown the determination of the Chinese Government to safeguard China's unification.

An armed rebellion took place in Tibet 30 years ago, on 10 March 1959. The central people's government instructed the PLA troops stationed in Tibet to firmly

suppress the rebellion with support from all Chinese people. Today, the government's resolute suppression of the riots triggered off by Tibetan separatists will certainly gain the support of all Chinese people, including sensible Tibetans.

**What "Regrets"?**

No one will allow Scotland to separate from the United Kingdom, nor will any one grant California "independence" or its separation from the United States.

This is a principle.

All governments of sovereign states are authorized to adopt whatever necessary means they see fit to suppress activities splitting their country.

Therefore there is no need for London and Washington to express their "regrets." The "regrets" they have expressed are very regrettable "regrets"!

**Moscow Radio Cites PRC UN Official**  
*OW0803111489 Moscow International Service*  
*in Mandarin 0600 GMT 8 Mar 89*

[Text] (Li Zuomin), PRC representative to the UN Human Rights Commission, said: Disturbances in Lhasa, capital of Tibet, were caused by separatists and terrorists sent in from abroad. Separatists attempting to separate Tibet from China do not like measures aimed at improving the livelihood of local residents. These measures have apparently disrupted their plans.

(Li Zuomin) said: The authorities were forced to take appropriate measures in response to the beating, smashing, looting, and arson that occurred during the disturbances.

[Words indistinct] mass rallies, parades, and strikes. According to official information, 12 people, including a policeman, have been killed in the past 2 days.

**Tibetans Endorse Martial Law**  
*HK0803101889 Beijing RENMIN RIBAO in Chinese*  
*8 Mar 89 p 1*

[Dispatch by reporter Lu Xiaofei (4151 1420 7378):  
"Patriotic Tibetans in the Upper Strata Support Martial Law"]

[Text] Lhasa, 7 Mar (RENMIN RIBAO)—The State Council's decision to impose martial law signed by Premier Li Peng and the order by the Tibet Autonomous Region People's Government issued by Chairman Doje Cering were broadcast on television throughout Lhasa this evening. The news spread among the Lhasa public very quickly and the worries accumulated during the past 3 days began to dispell.

Having had enough of the turbulence over the past few days, many patriotic Tibetans of the upper strata have stepped forward to air their indignation. Lhamin Soinam Lhunzhub, vice chairman of the CPPCC Tibet Regional Committee, said: "This is the very decision that I have been expecting. It is in the fundamental interests of the Tibetan people."

(Qiabai Citanpingcuo), a well-known scholar in Tibetan studies, said: "The decision on enforcing martial law is a very timely one. We certainly must take strong action whenever necessary."

Gonbasa Tuding Jezha, also vice chairman of the CPPCC Tibet Regional Committee, told this reporter: "In the past few days the rioters misinterpreted the government's restraint as impotence. They should never be allowed to run amok again."

A small number of separatists continued to riot in Lhasa today as they did yesterday and the day before. They beat up pedestrians and again looted some shops which they had already looted during the previous 2 days. Due to protracted riots some cadres and workers could not go to work and some primary schools were forced to suspend classes. Cernoinling Daindzim Chili, vice president of the Tibet branch of the Chinese Buddhist Association, said: "This reminds me of the fighting during the 'Cultural Revolution.'"

As witnesses to the riots over the past few days which have made a mess of the once clean, tidy, and prosperous streets of Lhasa, some residents who once cherished illusions about "Tibetan independence" feel quite disappointed. "Oh God! That's the outcome of 'independence,'" they said! It is said that some residents were forced to join the demonstration by a handful of separatists.

#### Necessity of Martial Law Viewed

HK0803042989 Hong Kong TA KUNG PAO in Chinese  
8 Mar 89 p 2

["Free Talk" by Shih Chun-yu (2457 0689 3768): "A Necessary Measure To Maintain Stability in Tibet"]

[Text] In view of the riots that have taken place over the past few days in Tibet, the Tibet Autonomous Regional Government enforced martial law in Lhasa in accordance with the State Council's order and announced three measures which became effective from midnight, 8 March. The measures include: All mass rallies, workers' or students' strikes, petitions, and other gatherings are prohibited during the curfew; no foreigners are allowed to enter the area under curfew without authorization; and foreigners now in the area under curfew, except those permitted, must leave within a stated time. Firearms and ammunition, illegally possessed, should be taken. Those who have taken part or instigated others to take part in beating, smashing, looting, and burning, which constitute a criminal offense in light of the circular

of the autonomous regional government, shall be punished according to the law. The current necessary martial law has been announced at the right time. It is certainly not a fuss made over a trifling matter as spread abroad. If the situation in Lhasa is allowed to deteriorate, social security and public order will be out of the question and there will be no guarantee for the lives and property of the inhabitants. Regarding the reckless, lawless acts of the rioters, the government shoulders the responsibility of adopting necessary measures to protect the security of the vast numbers of inhabitants.

Facts over the years have proved that with the opening of the Tibet Autonomous Region to the outside world, some former Tibetan separatists now residing abroad and a handful of foreigners who do not understand China's minority nationality problem and the history of Tibet, have come to Tibet to carry out activities under the banner of "protecting human rights." Their purpose is to sow discord among the Tibetan compatriots and undermine unity between the Han and Tibetan nationalities.

The same old method is used almost every time by the separatists in stirring up trouble. They make use of religious relations to incite some lamas and nuns to go into the streets and demonstrate, flaunt the banner of the "Snow Mountain and Lion," shout slogans of "independence for Tibet," instigate the masses to provoke Han compatriots, and then beat, smash, loot, and burn the houses and property of the Hans and the Tibetan compatriots who refuse to join them and destroy the offices of government departments and mass organizations. They attack the public security personnel who come to persuade them to observe public order and force the public security personnel to counterattack in self-defense. Then they instigate the masses to join the riot and "condemn" the "savage act" of the Hans in the presence of foreigners in order that the foreigners will take photographs of the incident and carry them in the press abroad, which will become a "momentum" to their advantage.

In consideration of the general interest of nationality unity and to prevent it from affecting the nationality feelings and Tibet's economic construction and opening up, the regional government authorities adopted the attitude of persuasion and making concessions to avoid trouble with the separatists in the past. However, the separatists reached out for a yard after taking an inch with premeditation and ulterior motives. In the riot which took place on 5 March, it is quite obvious that they attempted to engage in greater sabotage on the occasion of the 30th anniversary of the 10 March Tibetan rebellion and the following democratic reform, to let the world know their demand for "independence." It is by no means strange that they had arms this time. Following the opening up of Tibet to the outside world, it is logical that the evildoers will smuggle weapons to the region to hatch their sinister plot.



Under such circumstances, the Lhasa authorities resolutely enforced martial law. So long as one respects the objective facts and recognizes that Tibet is an inalienable, sacred part of China's territory, one will not regard this move as a fuss made over a trifling matter.

We cannot deny the fact that the recent unfortunate death of Bainqen Erdini Qoigy Gyaincain, who insisted on unity between the Han and Tibetan nationalities and opposed disunity, has given the separatists in Tibet the advantage to stir up trouble. The Dalai Lama who is abroad, expressed his willingness to hold negotiations with the central government on the question of Tibet. However, he refused to give up "independence," which indicates that he is still connected with separatist activities.

In the world today, many countries have nationality problems. As China is a big country with more than 50 nationalities, the internal disputes between nationalities are quite natural. Nevertheless, the question of nationalities is after all an internal issue. It will be a futile effort for a handful of foreigners to make an issue of the question of Tibet.

The martial law in Tibet is just temporary. Following martial law, Tibet will again be open to the outside world. The activities of the Tibetan separatists abroad to separate Tibet from the motherland will never succeed!

#### Commentary on Situation

HK0703153789 Beijing ZHONGGUO XINWEN  
SHE in Chinese 1342 GMT 7 Mar 89

[Commentary by ZHONGGUO XINWEN SHE reporter Geng Jun (5105 6511): "Necessary Measure for Maintaining Stability and Unity in Tibet"—ZHONGGUO XINWEN SHE headline]

[Text] Beijing, 7 Mar (ZHONGGUO XINWEN SHE)—Beginning 5 March, a small number of separatists flaunted the separatist banner and shouted separatist slogans, stirring up serious riots in Lhasa. Rioters raided government institutions, looted and burned shops, hotels, and houses, damaged school and public facilities, and caused serious losses to state, collective, and individual property. The rioters even used guns to shoot at policemen who were responsible for maintaining law and order, attacked passers-by, impeded cadres and workers from going to work, and threatened the lives of the people. When the scope of the riots continued to expand and the state of events continued to worsen, and when the masses of all nationalities in Lhasa longed for tranquility and strongly demanded that the government stop the riots and restore law and order, the State Council issued the order imposing martial law on Lhasa City in the Tibet Autonomous Region.

The State Council has an adequate legal basis for adopting this measure. Article 20 [number as received] of the PRC Constitution stipulates: "The state maintains public order and suppresses treasonable and other counter-revolutionary activities and penalizes actions that endanger public security and disrupt the socialist economy and other criminal activities." Article 89 of the Constitution lists 18 functions of the State Council as the supreme administrative organ of the state. The 16th function is to "decide on the enforcement of martial law in parts of provinces, autonomous regions, and municipalities directly under the central government."

The measure adopted by the State Council is completely necessary. Serious riots split the motherland; damage the unity between various nationalities and cause loss of life and property to the masses of various nationalities, including the Tibetan masses; damage the economic and cultural facilities built by the state and various fraternal nationalities for economic and cultural development in Tibet; seriously disturb various economic activities which bring prosperity to Tibet, invigorate Tibet's economy, and improve the Tibetan people's living standards; and obstruct the normal operation of various government institutions in Tibet in implementing policies and guiding economic activities. With regard to the harm caused by such troublemakers, who impair the stable and united situation in our country, Deng Xiaoping pointed out at a meeting on 30 March 1979: "These people try by every means to disrupt our plan to shift the focus of our work. If we turn a blind eye to these serious phenomena then our party and government institutions at various levels will be disturbed by them and cannot continue their normal operation. How can they consider affairs concerning the four modernizations?"

Based on his rich political experience, Deng Xiaoping had already clearly pointed out on 25 December 1980 during a central work meeting: "If serious trouble is stirred up in some place and if there is a real need to take some action, we could proclaim martial law by following legal procedures after careful consideration and proper planning. Well trained troops could be sent to restore and maintain social order, production order, and working order."

The enforcement of martial law in Lhasa is a temporary emergency measure with a view to stopping separatist activities, protecting the people's lives and property, and safeguarding political stability and unity in Tibet. This may affect normal traffic to a certain extent and the exercise of the citizens' legitimate rights, and may cause some inconvenience for a while. But the intention and aim of this measure is to provide a peaceful environment for the development and construction of Tibet and to dispel the worries on the part of the local populace. It is in keeping with the fundamental interests of both the Tibetans and the state. Provided that a clear explanation is given, the Lhasa people will assume a cooperative attitude.

By taking this measure, the State Council does not want to change the various principles and policies for Tibet adopted by the central government which have benefited the vast number of people of the Tibetan nationality. This is a part of national improvement and rectification work. The improvement and rectification of social order in Lhasa, which is aimed at creating conditions necessary for carrying out Tibet's economic construction, is being conducted under the guidance of the CPC's basic political line, with economic construction as the core, and also supports Tibet's economic construction. It is completely different from previous "political movements."

This emergency measure taken by the State Council is part of the policy toward Tibet designated to ensure a long period of order and stability. Last year, Great Teacher Bainqen pointed out pertinently: Externally, the riots in Lhasa were plotted and instigated in collusion between a small number of separatists at home and abroad, and internally, for a very long period of time, there has been "leftist" interference in our work, causing damage to the people ideologically, mentally, and materially and becoming an destabilizing factor. This leaves a loophole for the small number of separatists at home and abroad to capitalize on in plotting and inciting disturbances. Great Teacher Bainqen put forward a six-character policy for managing Tibet—"healing the wounds, autonomy, and development." "Healing the wounds" means further implementing various policies and solving problems left from history; "autonomy" means perfecting regional national autonomy; and "development" means developing economic and cultural undertakings in accordance with Tibet's realities.

The central government attached importance to the proposal by Great Teacher Bainqen. At the beginning of this year it decided to allocate a considerable amount of special funds to be used to solve the problems left from magnifying the scope of attacks in the previous political movements, to implement the policy toward monasteries, and allocated huge amounts of special funds to undertake basic economic projects in Tibet. If the riots are not promptly and effectively checked these concrete projects designed to benefit the Tibetan people cannot be undertaken.

Keeping the situation in Tibet stable is a task of great policy significance. It is believed that the CPC Central Committee and its leaders, who have summed up experiences, positive and negative, in a course full of complications and are increasingly maturing, will be able to handle the current events reliably so that the situation in Tibet can become normal and sound as soon as possible.

#### Editorial on 'Separatist Riots'

HK0803063389 Hong Kong WEN WEI PO  
in Chinese 8 Mar 89 p 2

[Editorial: "Comments on Separatist Riot in Tibet"]

[Text] There has been another 3 days of rioting in Lhasa since 5 March. Shouting "independence" slogans and holding flags of the "Snow Mountain and Lion," a small

number of lamas took the lead in creating disturbances. A number of thugs burned shops, looted houses, destroyed municipal facilities, attacked government institutions, threw stones at cadres and residents, and beat them with sticks. When policemen arrived in an effort to extinguish the fires and to maintain order, the thugs even set fire to police cars and fire engines, injured public security personnel with stones, and opened fire at people's armed policemen. The disruption of public order has made it impossible for cadres, workers, and staff members to go to work and their lives and property are in jeopardy.

Given that the rioting has continually escalated, the people of all nationalities in Lhasa have called for the restoration of public order as quickly as possible. The State Council has declared martial law in Lhasa, which is a necessary step to protect the lives and property of the people of all nationalities in the city.

Since the 13th of last month, there have been four street activities in Lhasa, during which some people advocated "Tibetan independence." The central government and the Tibet autonomous regional government have consistently adopted a restrained attitude and conducted persuasion and education. During this period, the Dalai Lama has sent people to secretly visit Beijing while Beijing has called on the Dalai Lama, through newspapers and magazines, to give up political propaganda and speeches and to hold direct talks with Beijing, saying that, with the exception of "Tibetan independence," all other problems can be discussed.

However, the separatists have not shown any intentions of pulling in their horns. On the contrary, they have escalated their actions step-by-step. There are two phenomena which are interrelated. The first is that the Dalai Lama, who is still abroad, has not given up the idea of "national self-determination" and he still cherishes the illusions of "Tibetan independence." During his visit to the United States last June, the Dalai Lama again issued statements about "Tibetan independence." Naturally, in the face of Beijing's calls for negotiation, he recently assumed the posture of being willing to hold talks with Beijing but there have been no further actions thus far. To have negotiations, the Dalai Lama must give up his separatist stand and his demand for "independence." Otherwise, any postures about his readiness to hold talks will not help to start negotiations based on safeguarding state sovereignty.

The other is that in Lhasa, a small number of lamas have constantly and openly spread statements about "Tibetan independence" and incited the masses to make trouble. China respects religious beliefs. But, if a small number of lamas engage in separatist activities, organize or advocate rioting for Tibetan independence, it will have departed from the scope of religious belief. The fact that, while directing the riot, some 70 people covered their



faces with scarves shows that it was a planned, organized action and that they also knew it was an illegal action, a shameful atrocity, and an act of splitting the motherland.

The coordination of the two activities has complicated the problem.

During the period in which the scope of political movements was enlarged, Tibet suffered from the "ultra-Leftist" line. Temples and monasteries were damaged, Tibet's economic construction was obstructed, and the people's living standards dropped. This situation was the same as that in the areas inhabited by the Han nationality. It was not just Tibetan people but the people of the whole country that were victimized. It should not be denied, however, that the long-standing practice of enlarging the scope of political movements has given the separatists an opportunity.

However, in recent years the central authorities have adopted measures to set things right, such as allocating large sums of money to support Tibet's economic construction and renovate lama temples and monasteries and implementing a policy of religious freedom. To this end, the Panchen Lama went to Tibet early this year to do much work. The problem of Tibet can be totally resolved through the method of national autonomy. However, the separatists have rejected the correct path in an attempt to separate Tibet from China's territory. This is not in the interests of the Chinese nation, including the Tibetan compatriots, and will never be approved by all people.

The "Tibetan independence" activities are not in keeping with the historical trends and the interests of the Tibetan people. Although over 1,000 separatists have created disturbances, they nevertheless constitute a very small minority among the 2 million Tibetan compatriots. Their atrocities are unpardonable.

The Tibetan people are a component part of the Chinese nation. They have lived in harmony with the people of other nationalities, jointly resisted foreign aggression, and made contributions to safeguarding national unity. After the Opium War, Britain took advantage of the "Yantai Treaty" to conduct "investigation" in Tibet with an eye to coveting its resources. However, due to resolute opposition by the Tibetan people, Britain did not succeed in entering Tibet. In 1903 and 1904, George Curzon, the British Viceroy in India, led an army into Tibet. They massacred several thousand people, looted and plundered temples and monasteries, and forced the official in charge of the Tibetan government to sign the "1904 Lhasa Agreement" in an attempt to nullify the existence of Beijing sovereignty in the form of a local treaty. The Beijing government's refusal to approve this treaty, plus resolute resistance on the part of the Tibetan people, made it totally impossible to implement the provisions of the treaty. History has proven that the Tibetan people hope for unity, and love the motherland. The situation in Tibet today is entirely different from

what it was after the Opium War. Though some separatists in Tibet may run wild for a time, they cannot represent the main stream of history. They cannot possibly succeed in engaging in "Tibetan independence."

Beijing has adopted resolute measures, including the declaration of martial law. The Tibet autonomous regional government also hopes that the people of Lhasa will rise to safeguard social order. We hope that the Tibet autonomous regional government and the people of all nationalities in Tibet will make joint efforts to put down the riot and, in their future work, implement the religious policy, as well as the policy toward nationalities, in order to develop a situation marked by stability and unity, thus creating conditions for Tibet's economic construction, prosperity, and happiness. In Tibet, numerous tasks remain to be undertaken. So long as we can speak frankly and sincerely and talk things over, there are no problems that cannot be resolved among the Chinese people.

#### Account of 5, 6 Mar Riots

HK0703170089 Beijing XINHUA Hong Kong Service  
in Chinese 1522 GMT 7 Mar 89

[Text] Lhasa, 7 Mar (XINHUA)—The riots in Lhasa today entered the third day. These are the largest-scale riots that have occurred in recent years. Various signs indicate that the riots were premeditated. The violence of a small number of separatists created serious threats to the lives, property, and security of the people in the city. The following is the account of the violent actions committed by the rioters on 5 and 6 March.

On Sunday, 5 March, Bajiao Street, marked by its rich national characteristics, was busy. Smoke curled in front of the Jokhang Temple, continuous flows of pilgrims held the Mane Wheels.

Shortly after 1200, the crowd grew restless in the square in front of the Jokhang Temple. More than 10 lamas, nuns and youths, shouting the slogan "Independence for Tibet," with one of them holding a paper flag of the Snow Mountain and Lion, which symbolizes "independence," started their illegal demonstration. The number of demonstrators increased to as many as 500, most of them wearing gauze masks. Some lamas and nuns wore only ordinary clothes. They shouted and cursed fiercely. Chaos erupted in the street. Traders and peddlers, panic-stricken, packed up their stacks hurriedly. Shops closed. Some pedestrians fled in a flurry.

In front of the Bakuo Street police substation and the social order service station, rioters threw stones at the policemen and wounded two of them in the legs. More and more rioters were gathering to attack the policemen, and numerous stones were thrown from the roof of the Jokhang Temple at the nearby police substation. In order to restore order on Bakuo Street, the policemen fired several tear-gas shells and managed to disperse the rioters and the spectators for a while. However, the rioters repeatedly instigated

the crowd to storm the Bakuo Street police substation and the social order service station. Some rioters threw stones that were tied to ropes. Most street lights on the square and most glass windows of Tibetan-style houses around the square were broken. The Jokhang Temple square, where people usually have a rest or take a walk, was totally in a terrible mess.

At around 1500, the rioters gathered again and demonstrated on Bakuo Road, Beijing Road East, and Jiri Road. This reporter witnessed rioters shouting themselves blue in the face, beating up people, and smashing, looting, and burning things. The doors and windows of more than 20 offices, hotels, and restaurants were smashed. At the northern section of Guangming Road, the rioters dragged beds, chairs, bicycles, luggage, and other furniture out of the Yimin Moslem Restaurant and three other nearby restaurants, and burned all the things in the street. The flames raged in the center of the street, producing dense smoke. More than 500 rioters flocked into Beijing Road East, where they smashed the doors and glass windows of a primary school, a hospital, and some nearby shops run by individual households. Some 300 people, wearing gauze masks, gathered in front of the government office of the downtown district. They pulled down the name plate of the office and smashed it. Meanwhile, on Beijing Road East, a group of rioters were beating up members of an ambulance corps and took over their ambulance. Some rioters then climbed up onto the top of the ambulance and waved a "Flag of the Snow Mountain and Lion." This reporter saw some rioters mingling in the crowd and forcing the latter to join them in the riot.

On Beijing Road East, a fire set by the thugs in the grain store broke into a blaze at about 17:00 and soon spread to neighboring stores and houses because of the strong wind. The Chengguan District fire brigade hurried 37 men to the site who went all out to extinguish the fire. However, some 300 rioters using garbage cans, set up roadblocks at the crossroads to prevent the firemen from operating. Some of them even climbed the roofs of neighboring houses to shoot at the firemen or attack them with stones. Ten firemen were wounded, including two seriously. In the riot the thugs resorted to openly firing guns for the first time. They occupied a building in the vicinity of Beijing Road East and fired at the public security and armed police corps personnel. Three of the armed policemen were shot at and one died instantly dead with a bullet through his heart. Based on information provided by relevant departments, some of the rioters' guns had been smuggled into the city from overseas.

The riots continued on 6 March. At about 10:00 that morning, thugs in traditional Tibetan nationality clothes and new Tibetan hats, and others in ordinary clothes with white bandannas round their heads ganged up in mobs of 30 to 50 and began to make trouble by flinging abuse, pursuing and beating up pedestrians in the neighborhood of the Jokhang Monastery, in front of the Tibetan Hospital outpatient clinic in Chongsaikang, and along Beijing Road East, Beijing Road Middle, and

Dingzi Road. The rioters snatched peoples' bicycles and set fire to them. Some of the people were bruised and bleeding. At the Dingzi Road crossroads a gang of thugs tore someone's ear off, threw him to the ground, and beat and kicked him repeatedly. At around 14:00 the thugs gathered in larger mobs of some 200 and started beating, smashing, looting, and setting fire to a score of stores along Beijing Road East, Beijing Road Middle, and Duosheng Road. The windows facing the street in the dormitories of the Regional Reception Office for Tibetan returnees and the Lhasa City Building Administration office were smashed by stones and the gates and some houses in the Chengguan District Industrial and Commercial Administration were set on fire.

**Premier Li Peng Stresses Family Planning**  
*OW0803115889 Beijing GUANGMING RIBAO*  
*in Chinese 2 Mar 89 p 1*

[Text] Beijing, 2 Mar (XINHUA)—Premier Li Peng urged leading cadres at all levels and citizens throughout the country to increase their population awareness and per capita concept, thoroughly understand the importance and urgency of intensifying efforts in family planning, and conscientiously implement the current policy on population control. As long as we strengthen leadership and make relentless efforts, we will be able to bring the excessive population growth rate under control.

The premier made these remarks after hearing briefings at a recent national conference of family planning commission directors.

Li Peng said: Marked results were made in family planning work in 1988, and compared with 1987, the rapid population growth rate was brought somewhat under control. However, the current population situation remains grim. The total population on the mainland is expected to exceed 1.1 billion in April this year. We are now at the third peak of population growth. If China loses control of its population growth, the country's reform and open policy and modernization drive, as well as the current campaign to improve the economic environment, will be adversely affected. He said: China has vast land and rich natural resources, but per capita distribution of resources is relatively scarce. The per capita distribution of farmland is less than 1.5 mu and that of water resources is also one of the lowest in the world. The per capita grain output once reached 800 kg in 1984, but it dropped to 720 kg last year due to population growth and stagnation in grain production over the past few years. Even though the economy has developed at a rapid rate over the past decade, the current per capita gross national product is only 1,100 yuan. Our basic national conditions are characterized by a large population, a poor economic foundation, and uneven economic and cultural development. Therefore, considering the vital importance of the Chinese nation's



survival, we must set population control as our basic national policy. Leading cadres at all levels and all citizens must be fully aware of the importance and urgency of family planning.

Li Peng stressed: The family planning policy must be consistent at all times. It is necessary to carry out persistently and stringently the population control measures formulated by the central authorities, and energetically advocate late marriage and late child bearing, fewer and better births, and one child for one couple. In rural areas with practical problems, approval for second births should be strictly examined a few years after the first birth. It is also necessary to encourage minority nationalities to practice family planning. Facts have proved that this policy conforms to China's reality and will be truthfully implemented down to the grassroots for a long period in the future. Resolute efforts must be made to check multiple births, and early marriage and child bearing. Li Peng pointed out: Zhejiang Province's natural population growth has been reduced to around 10 per 1,000 in the past 2 years, and Sichuan Province's was around 10 per 1,000, and Shandong Province's was around 12 per 1,000 last year. These facts show that only if China keeps tight control of family planning work will it be possible to slow the country's population growth.

Li Peng said: Family planning work requires close coordination among public health, civil affairs, public security, industry and commerce administrative, and many other departments. All departments should do their utmost to implement this basic national policy. They should make concerted efforts to adopt various policy measures that can help promote family planning instead of stimulating or encouraging multiple births. State relief to poverty-stricken areas should be linked to family planning work. It is imperative to tighten control of the floating population in order to meet the needs of family planning, social development, social life, and public order. Public security, industry and commerce administrative, and family planning departments should, under the leadership of local governments at different levels, work closely to ensure a good job in this area.

Li Peng pointed out: In view of the important and arduous nature of family planning work, party committees and governments at all levels must strengthen leadership. Principal leaders of party committees and governments should take a personal hand in the work, introduce the responsibility system, and take family planning work as an important criterion in evaluating cadres' performance. To intensify supervision, the State Statistics Bureau will issue figures on natural population growth rates in all provinces once a year. He said: It is necessary to strengthen actively family planning legislation, which is of great importance for continuing the family planning policy, tightening population control, and improving the legal system. He added: In order to effectively control population, we should also consolidate the contingent of family planning personnel, improving their quality and strengthening their organization.

In conclusion, Li Peng emphatically pointed out: Family planning is not the work of government administration alone; to a great extent, it involves mass work. In addition to taking necessary administrative and economic measures in family planning, we must concentrate efforts on doing a good job in mass work. All citizens must be educated not only in the obligation of practicing family planning, as stipulated in the constitution, but also in the benefit of family planning to the country and to their own region, township, village, and family, as well as to individuals. He said: We should display the party's fine tradition of mass work and mobilize all quarters of society to join the common undertaking and ensure a good job in population control. In recent years, family planning associations have organized and mobilized retired cadres, staff members and workers, social celebrities, and influential old peasants, as well as all family planning enthusiasts in doing the work together, while workers, youth, and women's mass organizations have also actively participated in the work. By having the masses educate and supervise themselves, we can achieve better results in population control. Despite the difficulties in family planning work, we are confident that we can do a successful job under the party's leadership.

#### Li Peng Discusses Reform Orientation

HK0803030389 Beijing ZHONGGUO JINGJI  
TIZHI GAIGE in Chinese No. 2, 23 Feb 89, pp 6-9

[Article by State Council Premier Li Peng: "Maintain Orientation, Firm Up Confidence, Advance With Steady Steps"]

[Text] The present task for people throughout the country is to improve the economic environment, rectify economic order, and carry out overall reform in depth. In order to fulfill this task, we should maintain two things which must not be changed. First, we must keep the general principle for reform and opening up laid down by the 3d Plenary Session of the 11th CPC Central Committee and by the 13th CPC National Congress unchanged; and second, we must keep the principle for improvement and rectification. In the coming 2 years we should concentrate on improvement and rectification. Through curbing inflation, bad fortune may be turned into good. By good fortune, we mean that we will be able to gradually establish a new economic order and advance reform and opening up along a healthier course. The party central leadership and the State Council have formulated a series of concrete measures for improving the economic environment and rectifying the economic order, and more than 40 documents have been issued. Successful work in this respect depends on first, the authority of the party central leadership and the State Council and second, the support of the people. How can authority be established? It relies on strict demands. Only by strictly enforcing discipline can work in the field of improvement and rectification be advanced smoothly.



At present, an important question is how to closely combine improvement and rectification with in-depth reform. One opinion holds that improvement and rectification indicate that reform will backtrack; another opinion holds that improvement and rectification indicates that reform is wrong, and people holding this opinion have lost confidence in it. These two opinions are both unrealistic and incorrect. We must really integrate reform and opening up with improvement and rectification in our thinking.

Reform and opening up began 10 years ago and have made great achievements. As a result, production has developed; the people's livelihood has been improved; and a new economic structure is gradually taking shape. This is acknowledged by all people. We have no reason to change this orientation; otherwise, we will violate the most important interests of the people and will be opposed by them. Reform represents a general trend in contemporary socialist countries. Socialist countries, with exceptions, are carrying out reform to various degrees at different speeds. Since the end of World War II the socialist countries have existed for more than 40 years. In retrospect, they lag behind in the economic, technological, and many other fields. The highly centralized management model and the product economy have obstructed the development of productive forces and must be changed. On the issue of whether the highly centralized economic model should be reformed, that is, on the general orientation of reform, the whole party and the party central leadership has reached a consensus of opinion. Of course, there may be some different opinions on the specific steps and methods in the course of reform, and this is also a normal phenomenon because everybody is exploring the road of reform. In short, the orientation of reform must be kept unchanged, and we must be courageous to make explorations and take prudent and steady steps.

Both at home and abroad, an opinion holds that our present problem is caused by the contradiction between the reform target and the public ownership system, because reform needs a market economy and the market economy needs private ownership, otherwise China's reform will get nowhere. This opinion represents a thorough negation of the socialist system. We must not negate the fundamental system of socialism because of some temporary difficulties; nor can we give up the general principle for reform and opening up laid down by the 13th party congress because of these temporary difficulties. The purpose of reform is to add fresh vigor to the socialist economy and to bring the superiority of the socialist system into play. When approaching the issue of socialism, we must adhere to two points: first, the multiple economic elements with public ownership as the main body; and second, the multiple distribution forms with the form of distribution according to work as the main body. Other distribution forms are allowed to exist, because there exist multiple economic elements.

We hold that the concrete form of public ownership can be changed, but the essence of public ownership cannot

be changed; otherwise, there will be no socialism. For example, we are now trying to establish some joint-stock companies, joint ventures, and enterprise groups, and this is merely an issue related to the concrete forms of public ownership. This is a major subject that we should study. We need to practice a planned commodity economy and give more play to the market mechanisms' regulatory role in economic operation. However, we should seriously study how the market can play a better role under China's specific historical conditions at the current stage with our own characteristics. For example, our economy is a shortage economy. We have learned from practice that some products, such as grain and steel, cannot be completely decontrolled. We are now adjusting some decentralizing arrangements. For example, we have imposed a price ceiling on steel products, have brought the dealing of four kinds of steel products under state monopoly, and have also brought the supply of agricultural production materials under state monopoly. This does not mean that the reform and opening-up principle has been changed. In the countryside, it is certain that we will maintain and further improve the household output contract system. In cities we will introduce the management responsibility system in all enterprises, and will further improve and develop this system rather than change it. Of course, the enterprises should be guided to raise their labor productivity, lower the consumption of raw materials, and improve product quality rather than merely seeking higher profits. In the distribution of products, the policy of narrowing the scope of distribution according to mandatory plans and expanding the scope of distribution according to guidance plans and through markets will remain unchanged. According to statistics, products now being distributed through markets outnumber those being distributed according to mandatory plans. In the field of foreign economic activity, we have taken various measures to expand the scope of utilizing foreign funds. Even when we are now cutting down on the scale of capital construction, we still honor and implement the contracts that we have signed with foreign businessmen. Of course, future foreign investment projects must also comply with the industrial policies of the state. It is inevitable that certain restraints will be imposed on the expansion of the production capacity of some oversupplied products. The implementation of the economic development strategy in coastal areas is also an issue related to arousing the enthusiasm of the 200 million people in the economically developed coastal areas, and this strategy also remains unchanged and only some key points and steps have been adjusted. We still stress the necessity of "putting the two ends outside," and encourage the development of enterprises which do not vie with other domestic enterprises for raw materials and can export their products. This also comes into line with the actual conditions of our country. Aside from the above mentioned facts, many things can show that our reform and opening-up principle has not been changed.

I think that in the period of improvement and rectification, many things can be done to deepen reform, and reform can still make major advances.

First, we should sum up experience. In the past 10 years we did not commit major mistakes in the reforms, but minor errors occurred one after another. This should be the premise for us to sum up experience. The purpose is to ensure a healthier development of reform and opening up. All of us can discuss which experience we should sum up. For example, reform is a complex social systems engineering project that needs proper coordination of things in many aspects, and cannot be advanced exclusively in one field. We tried to make a substantial adjustment of the prices, but practice showed that price reform must be carried out in coordination with reforms in other fields and should be fulfilled in a longer time.

We also need to consider what is the criterion for assessing the results of reform. Should we use the productive forces criterion or other target models as the criterion? Some comrades said that not only the development of productive forces should be used as a yardstick, but consideration should also be given to social stability, because the development of productive forces is the objective and social stability is the prerequisite for both construction and reform. Without social stability, it is hard to carry out any reform.

In addition, in the course of reform, we must simultaneously develop the two civilizations. Recently Comrade Ziyang mentioned many times that we should boost both spiritual and material civilization at the same time, advance reform and build the legal system at the same time, and consolidate the party organizations and develop the commodity economy at the same time. All this stressed development in two aspects. One is development and reform, and the other is spiritual civilization. That is to say, in a socialist country like ours, we do not want to see, and do not allow, the existence of the decadent phenomena in people's values and norms in the primitive accumulation stage of capitalism. The masses are now most resentful about three things: First, price hikes; second, some corrupt phenomena in the government and in the party; and third, unfair distribution of wealth in society. If we cannot solve these problems properly, the people will lose their confidence in the party and the government.

It is also necessary for us to sum up experience with regard to the relationship between reform and economic construction.

Second, we should take an active part in improvement, rectification, and in-depth reform, and should combine reform with improvement and rectification. Reform is not only an issue of delegating more powers to localities and enterprises and enlivening economic activities. Practice shows that to what degree we should decentralize the power and decontrol the economy will depend on to what degree we can bring things under control. That

is, we must build an effective macroeconomic control system. Comrade Ziyang said that for the purpose of the economic readjustments, we need to adopt measures in five aspects at the same time, that is, to achieve our purpose by using economic, administrative, legal, disciplinary, and ideological-political means. In our practical work, we should try to minimize the use of administrative means and increase the use of economic and legal means. Some of our methods should be standardized and institutionalized after they become mature so that they can be used on a long-term basis as the long-term measures for macroeconomic control. We should be aware that an important task in the improvement and rectification is to build a macroeconomic control system. This matter itself is an important part of the in-depth reform. We will have to do a great deal of work to decide what system we will adopt and what order we will establish. For example, we need to establish an investment self-restraint system, and establish a system for regulating the consumption fund by using the interest lever. The departments concerned should organize intensive studies of these subject.

Third, pilot projects can be carried out to experiment with some new reform measures. For example, the joint-stock system can be used to explore a new form of socialist public ownership. More than 6,000 enterprises have adopted the joint-stock system on a trial basis. Most of them just issue shares to their own workers who do not have to undertake any risk. In fact, shareholders under the joint-stock system should undertake risks. Pilot projects for the joint-stock system should be carried out, and this system should not be spread to all enterprises hastily. If the adoption of the joint-stock system can arouse and raise the work enthusiasm and initiative of workers and managers and can form self-restraint mechanisms to check the swelling of the consumption fund and investment, then this system will be successful. On the contrary, if this system leads to an increase in the consumption fund in a disguised form, then it will fail to achieve the expected purpose. At present some enterprises try to raise more funds to start their capital construction projects and to distribute more funds to individual workers through adopting the joint-stock system. We must pay attention to this deviation.

The orientation of optimizing labor makeup is undoubtedly correct. However, various localities should consider two questions after they adopt measures for optimizing labor makeup. First, will society have the bearing capacity? If a number of redundant workers are pushed into society and the state now lacks necessary financial resources to ensure the livelihood of these people who are previously sustained by the enterprises, then an unstable factor may be brought about in society, because we have not established a social security system after "eating from the same big pot" for a long time. Therefore, the measures for optimizing labor makeup should also first be tested in pilot projects, and consideration must be given to the social bearing capacity before these measures are spread to all enterprises. Second, we should also prevent the appearance



of more factors causing an increase in the consumption fund in the course of optimizing labor makeup. If an enterprise with 10,000 workers lays off 3,000 redundant workers and maintains the same amount of wages for the remaining workers, as the 3,000 workers will get incomes from other places, then the total amount of the consumption fund will increase.

One more point must be mentioned here. When pilot projects are carried out in selected units, we should not give special or preferential treatment to these units to ensure good results being achieved there. The correct practice is to find out the actual advantages and disadvantages of the reform measures through the pilot projects. Only thus can the reform measures be full of vitality when they are officially adopted in all units. This should also be the case for the housing reform, which is an important aspect of giving guidance to consumption. Pilot projects still need to be carried out in this respect. Some localities raised rents; and other localities offer houses for sale. Problems have also appeared in the sale of houses. In some localities, prices were too low; and in some localities, the sale of houses became a channel for some officials to seek private gains by abusing their powers.

At present we have achieved initial results in our improvement and rectification work. The price hikes have been mitigated; savings have been increasing again; progress has been made in the purchase of agricultural products; and the supply of commodities on the markets in the Spring Festival period was rather satisfactory. However, we must not overestimate the initial results in rectification work. We are still faced with an arduous task in cutting down the scale of capital construction and the consumption fund. It is still necessary to attach great importance to price control, because only by stabilizing prices can we maintain the people's confidence and smoothly advance the improvement, rectification, and in-depth reform.

We should also notice that the people do support reform and have not lost confidence. Our reform can make remarkable achievements precisely because it is supported by the people. Without the people's support, our reform will not succeed and our improvement and rectification will not succeed either. We should be aware that there will be many difficulties in the work of improvement and rectification. In the coming 2 years we must concentrate on this work, successfully advance it, and create a favorable environment for reform.

**Physicist Qian Sanqiang Urges Educational Reform**  
HK0703144789 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 1125 GMT 6 Mar 89

[Report by special correspondent He Fang (0149 2455): "Qian Sanqiang Points Out That There Is a Need To Have a Sense of Crisis and Urgency With Regard to Educational Reform"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 6 Mar (ZHONGGUO TONGXUN SHE)—Famous mainland nuclear physicist Qian Sanqiang pointed out that the harm done by the "Great Cultural

Revolution" to Chinese educational work and the loss of talent resulting from it are causing a delay of at least one generation. The serious consequences will make themselves fully felt in the nineties. There is therefore a need to have a sense of crisis and urgency with regard to educational reform.

Qian Sanqiang, vice chairman of the China Association for Science and Technology, made these remarks at a "Science and Culture Seminar" held in Beijing several days ago. There is much worry today about the problems arising in China's educational field, he said. Of the 8 million intellectuals throughout the country, he added, 1.41 million are holding mid-level positions and 100,000 others are holding high-level positions. Most of them will withdraw from the first line in the nineties. The quantity and quality of intellectuals in the 21st century will constitute a serious problem.

As he emphatically pointed out, the 21st century will be a high-tech century and one of coordinated development between science, technology, economy, and society. Therefore our education should be aimed at training talented people and new arrangements should be made according to the new requirements and characteristics of talented people in the 21st century, he remarked. He added that developing the educational cause, improving the cultural quality of the nation, and training qualified personnel for the coordinated development of science, technology, economy, and society in the 21st century is a major task facing China which will also produce a direct impact on the existence of the Chinese nation in the 21st century.

Qian Sanqiang pointed out the necessity to put the development of science, technology, and education in an important strategic position so that economic construction is based on scientific and technological progress and the qualitative improvement of the labor force. In China, the research and manufacture of atom and hydrogen bombs, missiles, and satellites proceeded from respecting knowledge and China's own intellectuals, he said. Education was given prominence in training a large number of talented people. Hence the present day situation. Similar situations can also be found in other construction fields in China, he pointed out. Departments which pay attention to training talented people can carry out their work well, whereas those that have not done so cannot complete their tasks satisfactorily.

**Text of Tian Jiyun's Speech to Greening Meeting**  
HK0703034389 Beijing RENMIN RIBAO in Chinese  
22 Feb 89 p 4

[XINHUA Report: "Leading the All-People Voluntary Tree-Planting Campaign to Greater Depth—Tian Jiyun's Speech at the Eighth Plenary Session of the National Greening Committee"]

[Text] The following is the text of the speech delivered by Comrade Tian Jiyun at the Eighth Plenary (Enlarged) Session of the National Greening Committee:



Comrades:

This is the eighth plenary session since the establishment of the National Greening Committee. This session will mainly involve an analysis of the situation, the clarifying of tasks, the putting forward of measures, mobilization and deployment, leading the all-people voluntary tree-planting campaign to greater depth, speeding the development of forestry, and speeding the greening of the motherland. This session is an expanded session. Apart from having the members of the national greening committee in attendance, leading cadres responsible for forestry work from the various provinces, autonomous regions and directly administered cities together with responsible cadres from forestry departments are also attending. The planting of trees to create forests and the greening of the motherland is a major task of the party and the people. It requires that the leaders in all regions and of all departments pay great attention to this task and concretely organize its implementation. This meeting, being held in Guangdong, has something of an on-the-spot meeting about it. Everyone please observe the greening of Guangdong, study Guangdong's experiences, truly strengthen leadership, carry out your region's or department's tasks in a thorough-going and down-to-earth way and greatly promote the further progress of the great undertaking of greening the motherland. Here I will provide some ideas for everyone to discuss.

#### **1. The Situation of Afforestation, Greening and All-People Voluntary Tree-Planting**

On 13 December 1981, the Fourth Session of the Fifth NPC adopted the "Resolution on Launching an All-People Voluntary Tree-planting Campaign." In the 7 years since then, the people of our country have done a great deal of effective and hard work in decorating the motherland's vast area with greenery. Overall, tremendous achievements have been realized in afforestation and in tree and grass planting and the situation is good. There has been great improvement in the degree of importance the people of various nationalities throughout the country assign to greening the motherland and the desire that the ecological environment be improved as quickly as possible has become increasingly strong. The great majority of provinces, cities, regions, and departments have tightly grasped afforestation, greening and voluntary tree-planting and have actively propagated these ideas among the masses and motivated them. Every year, during the tree-planting season, in many areas one sees moving scenes of thousands of people joining ranks to engage in planting trees for afforestation. In the last 7 years, more than 7 billion trees have been planted under the All-People Voluntary Tree-Planting Campaign. The first stage of construction of the north, northeast, and northwest shelterbelts has been completed and more than 90 million mu of land has been afforested during this stage. The second stage of construction is now being actively accelerated. Throughout the country, 223 counties have met the greening standards for plains and grass has been sown or improved on over 160 million mu. Further, urban greening has made

swift progress. Over the 7 years, the total garden area in our country has doubled, reaching 280,000 hectares. The PLA stands in the forefront of activities for greening the motherland and of all-people voluntary tree-planting. There has also been new progress in greening by departments. The trade unions, CYL women's federation and other organizations have also done a great amount of work and achieved good results in deeply developing all-people voluntary tree-planting activities.

In the last few years, the various regions and departments have gained many good experiences in developing all-people voluntary tree-planting and greening work. For example, separate tasks have been allocated to different levels and responsibility systems whereby there are greening targets to be met during the leading cadres' periods of tenure. The masses have been fully roused and all the people have engaged in greening. Greening responsibility areas have been designated and voluntary tree-planting bases have been established. Greening regulations have been formulated and struggle objectives have been set down for different stages. A system of laws and regulations has been formulated, there is strict examination and inspection, as well as firm and impartial rewards and penalties. Avenues by which funds can be gathered have been opened up and thus the means by which funds for greening can be raised have been expanded. The Standing Committees of the provincial, city, and county People's Congresses have organized People's Congress representatives to inspect the voluntary tree-planting situation and so on. In the light of the actual situations in various areas, these experiences should be positively spread as they will play a very good promotional role in more deeply developing all-people voluntary tree-planting and more effectively developing the activities of greening the motherland.

Through activities of all-people voluntary tree planting, some regions have begun to see fine ecological, economic, and social results. The environmental situation in many regions has seen great changes, the microclimate has improved, the capacity to withstand natural disasters has been strengthened, and the development of agriculture and animal husbandry has been promoted. The all-people voluntary tree-planting activities have also promoted the building of socialist spiritual civilization, stimulated people's love for their village or town and their enthusiasm for greening the PRC and established a sense of glory and responsibility for carrying out a citizen's obligations and established the concept of a legal system. In some regions, among the cadres and the masses, there is the practice of planting commemorative trees on special occasions such as birthdays, entering school, graduation, entering the CYL, joining the Army, marriage, births and retirement. In this way, the people's hopes are placed with the trees and forests and a new moral style has been fostered. Practice has proven that developing all-people voluntary tree-planting is a great undertaking which accords with our country's situation and conforms with the people's wishes. It has not only

received the support of the broad masses within the country but also been praised and supported on the international level.

While noting that the afforestation and greening situation is good, it is not to say that there exist no problems. We must soberly recognize that the current situation of the all-people tree-planting and of afforestation still lags far behind the demands set by the NPC resolution and the requirements of the party Central Committee and the State Council. First, a considerable number of comrades still do not fully understand the importance of greening the motherland. With a weak sense of the legal system and the greening campaign, they see the legally-stipulated voluntary tree-planting as something which is not really necessary to participate in. In particular, the leaders of some localities and organizations do not attach sufficient importance to the greening work and they have not put it on their agenda or taken effective measures. Second, the progress of the all-people voluntary tree-planting campaign is very uneven. In the country as a whole, both the number of participants in the campaign and the number of trees planted are far below the figures required. Currently, approximately 1 billion trees are planted each year under the campaign and the number of participants is only about one third that required. Some urban and rural organizations have yet to launch a voluntary tree-planting campaign. Third, some localities lack overall, long-range afforestation and tree-planting plans. When tree-planting season arrives, they hastily plant some trees, but over the years they have not accomplished much in the greening work. Fourth, the quality of tree planting and afforestation is poor because the work is not strictly checked before acceptance. Some areas do not stress science in tree planting and afforestation and they pay no attention to looking after the trees when they are planted. Despite statistics showing large greening areas, not many of the trees they planted have survived. Such inefficient greening work has dampened the masses' enthusiasm. Fifth, some localities lack sufficient awareness of the protracted and arduous nature of the work and thus their determination and enthusiasm for the greening work are not as great as several years ago. This mood of laxness and fear of difficulty have prevented them from making progress in the greening work. We should pay greater attention to these problems and promptly adopt measures to solve them as soon as possible.

Afforestation and greening work in the past has realized major achievements and this should be affirmed. However, we must soberly recognize that, as far as the country is concerned, there are still large areas of barren mountain, wasteland, and desolate beach areas which have not yet been greened. There are still quite major tasks of greening to be carried out in the urban and the rural areas, and if we are to bring about a basic change in the ecological environment of the country, we need to put in major efforts over a long period. If we do not strengthen the sense of responsibility and there is no sense of urgency, if the problems which exist at present

are not seriously resolved, and we do not change the ordinary work methods, there is a possibility that afforestation and greening work and the all-people voluntary tree-planting work will grind to a halt and may even slide downhill. Thus, in respect of greening work, we need to establish a concept of long-term battle, maintain a strong fighting will, maintain an unremitting grip on the work, and continually push it to a new level.

## **2. Enhance Understanding, Strengthen Leadership and Conscientiously Do Well in Organization and Mobilization Work**

Planting trees, building forests, and making the motherland green is a great undertaking by which to tackle problems concerning mountains and rivers, build a good ecological screen, promote economic development, and create wealth for future generations. It is also a basic policy of our country. Developed forestry is one of the indicators of a country's wealth, national prosperity and the civility of a society. Our party and government have always stressed the major undertaking of planting trees, afforestation, and greening the country. Long ago in the fifties, there appeared the call to green the motherland and to create gardens and forests across the country. In recent years, this has been made one of the basic national policies. Comrade Deng Xiaoping has paid great attention to the greening of the country. He personally initiated the All-People Voluntary Tree-Planting Campaign and has earnestly practiced what he advocates. Every year, he takes the lead in planting trees to build forests. He has pointed out: "Planting trees to build forests and greening the motherland is a major undertaking in the building of socialism and in creating wealth for future generations. It must be persevered in for 20 years, persevered in for 100 years, and persevered in for 1,000 years. Every generation, one after the other, must continue with it." At present, our country's ecological environmental situation is grim, the ratio of forest cover in our country is very low, there are many barren hills and bald peaks, soil erosion is quite serious and droughts, floods and sandstorms continually occur. In such a situation, the annual rate of depletion of forests is far greater than their replacement rate, resulting in places which originally had few forests having progressively fewer. We absolutely cannot allow this situation to continue, as if we do it will lead to no end of troubles in the future.

Forestry is an important industry in the national economy. It not only has economic benefits, but also ecological benefits and social benefits. Forestry is an industry with many functions. Without even mentioning other functions, its effect on agriculture is obvious and easily seen. The development of forestry can provide a fine ecological screen for agriculture, animal husbandry, and fisheries, and can protect fields and irrigation facilities so that they can be utilized. Guaranteeing high and stable agricultural output requires the strengthening of basic field construction. However, in this there needs to be a combining of engineering measures and biological



measures and attention paid to the planting of trees and the sowing of grass. Seen from a long-term and basic viewpoint, the question of tree and grass cover needs to be resolved well. All regions, at the same time as arranging agricultural development and doing well in field and irrigation facility construction, should place forestry in its due place and do well in building forests and grassy regions. In brief, grasping forestry construction is something which will result in ten thousand benefits.

The fundamental way to accelerate forestry development and make our country greener is, on the one hand, to have leaders at all levels pay attention to the greening work and do it conscientiously and, on the other hand, to extensively mobilize the entire society to do this greening work. The attention of the leaders and the efforts of the society are both essential. Forestry and the greening work have a strong social nature and they concern all quarters and thousands upon thousands of families. The building, management, and protection of forests require money. However, what is required even more is a large input of labor. This fully shows that in order to develop forestry and do good greening work, we must rely on local governments at various levels to organize the vast numbers of cadres and people to plunge into the great undertaking. Forestry takes a long time to yield results and not all people know the ecological benefits of forests. Therefore, forestry needs even more strengthened leadership and energetic support by the governments at all levels. Afforestation and tree planting greatly benefit the public and concern all departments, trades, and professions. These activities must be carried out by all sectors of the society. We must plant more trees along railroads, highways, rivers and canals, around lakes and reservoirs, and around barracks, industrial and mining districts, farms, ranches, and fish farms. All organizations should actively fulfill their tree-planting tasks. The state, collectives, individuals, and all trades and professions should concurrently engage in afforestation and tree-planting, thereby having everyone engaged in forestry and all people involved in greening.

A very important aspect of leadership in strengthening the work of planting trees, building forests and greening the country is the implementation of a responsibility system. In 1984, in the "Instructions on Deeply and Earnestly Developing the Activities of Greening the Motherland" the Central Committee and the State Council clearly pointed out: "We need to place the responsibility for planting trees, sowing grass and greening the motherland on the shoulders of the leading cadres of party committees and governments at all levels as well as on all units.... This must be systematized and become a major component in the assessment of cadres." In 1987, the Central Committee again proposed the "implementing of a responsibility system for leading cadres whereby certain targets in terms of protecting and developing forest resources are to be met during the period of tenure." "The growth or decline in forest resources should be one of the major contents in the appraisal of the achievements of county leaders." All localities and

departments should universally institute and improve the system under which the leading cadres are responsible for the attainment of the greening targets during their period of tenure. In implementing the system, conscientious efforts should be made to ensure "five things:" To attain the planned greening targets; to conclude responsibility contracts at all levels; to have the leaders do demonstrative greening work; to conduct regular inspections and appraisals; and to mete out rewards and punishments in accordance with the appraisal results. The greening targets for leading cadres during their period of tenure should be established in a definite way. Their performance should be regularly appraised, and rewards and punishments should be meted out fairly. We should pay particular attention to making the greening targets specific and measurable in order to facilitate execution and appraisal. At the same time, we should pay attention to the continuity and stability of the responsibility system so that it will not be affected by leadership changes.

The Guangdong provincial party committee and the provincial government have paid great attention to the work of building forests and greening. In 1985, they took the decision to "Eliminate barren hills within 5 years and to green Guangdong within 10 years." Following Comrade Lin Ruo, leaders at all levels set to work, firmly grasped implementation, speeded the pace of greening, and achieved clear results. Their leadership in strengthening this work was mainly manifested in six aspects, namely: A leading cadre responsibility system was implemented whereby there were greening targets to be met during the cadres' period of tenure, and responsibility certificates [ze ren zhuang 6307 0117 3692] were signed at each level; leading cadres personally carried out work at specific points and then the experiences at these points were spread to wider areas; a system of examination and appraisal was implemented; comprehensive measures were adopted to control the depletion of forest resources; they widely opened avenues for funds and actively assisted the building of forests and greening; there was serious assessment and clear rewards and penalties. Their attention to and leadership of greening work did not stop at words. Rather, the leaders at various levels truly grasped actual work. Each level grasped the work at that level, grasped it and did not let it go. Because of the beneficial measures, through 3 years of hard work, the province built new forests on 43 million mu. There are great prospects for greening Guangdong within 10 years. Guangdong's experiences are very good and all regions and departments should study their experiences. In particular, they should study how the major leading cadres paid attention to forestry, firmly grasped forestry, earnestly strengthened leadership, did well in organizing mobilization work, and further accelerated the greening of the country.

### 3. Future Tasks and Demands

Developing an All-People Voluntary Tree-Planting Campaign is the subject of a resolution taken by the NPC, and the State Council has promulgated "implementation



measures." Also, the state has, in a legal form, fixed the task of citizens to plant trees. This fully explains the major strategic significance of tree planting to build forests and also shows the determination of the party and government to green the country, improve the ecological environment, and promote economic development and social progress. Greening committees at all levels should very firmly grasp this work with the same degree of seriousness seen in the enforcement of the law. All regions and departments must truly raise the planting of trees to build forest and greening the motherland to the position of state policies, so that there is a breakthrough in the development of the All-People Voluntary Tree-Planting Campaign and in the building of forests and greening.

We must successfully carry out our work, particularly in the following areas, in order to ensure the fulfillment of the basic afforestation tasks in the coming years: First, we must develop the voluntary tree-planting campaign in a deep-going way. Citizens who are of an appropriate age shall each plant three to five trees a year. This is a statutory obligation. We must ensure its fulfillment in accordance with the statutory provisions. There are about 700 million citizens of the appropriate age in our country. When each person plants three to five trees, we will be able to plant between 2.1 billion and 3.5 billion trees, covering an area of 10 million to 17 million mu, a year. Voluntary tree-planting quotas shall be assigned to each unit at every level in all localities and shall be fulfilled accordingly. Second, we must make further efforts to green the land along railway lines, highways and ditches, around lakes and reservoirs, around factories, around mines and agricultural, livestock, and fish farms, and around military barracks. We must carefully work out plans to green the barren hills, wasteland, and beaches, including those which are the responsibility of enterprises and units of various industries and trades. We must ensure the accomplishment of these greening tasks stage-by-stage, area-by-area, and in accordance with the relevant regulations and requirements. Large enterprises using timber as a raw material, including coal mines and paper manufacturers, shall appropriate a certain amount of funds as afforestation funds for use in setting up timber bases stage-by-stage and area-by-area. Third, while promoting voluntary tree-planting and departmental afforestation, we must concentrate on the construction of quick-growing timber bases and the building of the five major shelterbelts, and we must build fuel forests and economic forests in line with the local conditions, and speed forestry development. Fourth, we must continue to ensure the in-depth development of urban greening. We must actively green the suburbs to fulfill the central task of building a large green environment. We must speed up the greening of coastal cities which are open to the outside world. We must also put on the agenda the greening of county towns and administrative towns [jian zhi zhen 1696 0455 6966]. All units shall actively green their courtyards, factory grounds, schoolyards, and residential areas to improve their living and working environments. Fifth, we must work out grass-planting tasks in our greening drive, planting either

trees, shrubs, or grass in line with the local conditions. In deserts, completely or partly arid land, and areas suffering from serious soil erosion, we must grow grass and shrubs before we plant trees. This will ensure better greening results.

In order to be better able to fulfill greening goals for the coming years, we have set very difficult tasks for ourselves this year. Greening committees at all levels must strengthen their leadership, meticulously organize the greening efforts, and successfully carry out their tasks. In particular, they should pay attention to the following:

1. An overall plan for voluntary tree-planting and overall afforestation must be drawn up. The plan shall specify what will be achieved by the years 1990, 1995, and 2000. This is vital to the continuous and sound development of the voluntary tree-planting campaign and the greening drive. It is also a precondition for the implementation of a system under which leading cadres are held responsible for the attainment of greening goals during their period of tenure. Local voluntary tree-planting plans must be organically incorporated into the overall greening plan and become an integral part of it. Each locality, department, and unit shall draw up its own voluntary tree-planting plan in the light of the number of eligible persons it has. It shall assign areas to be planted, distribute saplings, and adopt other support measures to ensure the fulfillment of the tree-planting tasks. The departmental afforestation and greening plans must be appropriately linked up with the regional afforestation and greening plans. Each department must, in accordance with its own characteristics, tightly grasp the drawing up of afforestation and greening plans for that industry and both assign these plans to the respective levels and bring these plans into the provincial (regional or city) afforestation and greening plans. At the same time, they must set down clear stipulations for the industry in respect of the greening standards, funds channels, time limits, and leaders' responsibility. Coal, light industry, papermaking and other departments and enterprises which use timber as a raw material must formulate plans for establishing raw-material forest bases. We must positively follow the road of linked efforts in afforestation and the forestry departments must construct raw-material forest bases for the various industries, provide good service, and create necessary conditions. Linked efforts in afforestation will be of benefit to the state, the localities, and departments. On this question, the localities and departments must proceed from the overall situation, plan in an overall way, and adopt positive measures. This year there shall be new breakthroughs in this area.

In future, the development of a tree-planting plan and the implementation of that plan will be important measures to be used by the national greening committee to evaluate the greening work of various localities and departments and to assess the performance of the local greening office.

2. The law must be strictly observed in developing forestry. While it is important to mobilize the people to launch an All-People Voluntary Tree-Planting Campaign, it is more important to develop forestry in accordance with the law. Each locality and each department shall seriously implement the NPC resolution, the State Council implementation measures, and the relevant greening rules and regulations, and work out supporting measures in line with its specific conditions. Greening tasks should be handed down to the lower levels in accordance with the relevant provisions. Specific measures should be taken to ensure that the task of planting three to five trees per person is fulfilled by every unit, every village, and even by every individual. Appropriate economic penalties for units and individuals which, without adequate reason, fail to fulfill their tree-planting obligations, shall be established in accordance with the level of economic development of the area. In short, we must have rules and we must enforce the rules very firmly.

3. More attention should be paid to science and technology, and efforts should be made to strengthen management and improve the quality of forests. Inferior quality, mismanagement, and low survival rates are the most acute problems affecting the work of afforestation in some areas today. Measures must be taken to change this state of affairs.

In tree-planting and afforestation we need to improve quality and results. First we need to stress science. At present in our afforestation work, we have still not broken free from the traditional model of extensive operations. This is particularly obvious in the mass voluntary planting of trees. In order to improve the practical results of afforestation, we must stress science and technology, and institute scientific management. We need to carry out our work in accordance with scientific plans and we must formulate standards in the areas of growing seedlings, transplanting, tending to the trees, and the management and protection of the forests. Then work can be carried out in accordance with technological operational rules. For afforestation of rather large areas, we must carry out the work in accordance with a planned program, while in areas with the conditions, afforestation can be carried out as a project, so as to earnestly guarantee the quality of afforestation and truly ensure that seedlings are well-tended and kept alive. At the same time, it is essential to do well in tending the growing trees and promoting the growth of the forests. We should also gradually establish voluntary tree-planting records, so as to truly guarantee the results of voluntary tree-planting.

We plant trees for the purpose of seeking practical results, not for the sake of filing good reports to superiors. We must perform concrete work, seek real results, and refrain from engaging in formalism. We should establish a system under which progress made in afforestation is verified and truthfully reported to superiors, and we should strictly enforce this system. In examination and appraisal, good results should be praised and poor results criticized. On the one hand, the carrying out

of tasks should be stressed and on the other hand, examination and assessment must be grasped well. These are two intimately connected links and they must become the major aspects of work of greening offices at all levels and be grasped tightly and unremittingly. If in voluntary tree-planting the trees planted do not remain alive, it cannot be considered that the obligations of those who planted them have been fulfilled. In such cases people should be required to plant additional saplings within a fixed period.

4. Serious efforts should be made to carry out the "three preventions" work in forestry. That is, efforts should be made to prevent forest fires, the outbreak of plant diseases and wanton felling of trees. To develop forestry, it is necessary to implement the policy of accelerating the cultivation of trees, strengthening protection, and using the trees in a rational way. In other words, we must accelerate forestry development by vigorously planting and cultivating trees and at the same time strictly control the use of forest resources. We must not allow people to cut down trees in excess of quotas. We must strictly protect trees in forest zones and green areas of cities. We must not allow their destruction or their use for other purposes under any circumstances. We must seriously investigate and punish those people who wantonly destroy trees and illegally use forest zones and green areas in disregard of relevant regulations. We must stop these actions without delay. Forest fires, plant diseases, and wanton felling are the "three major scourges" of forestry today. In some areas, these problems are very serious. All localities must make serious efforts to carry out the "three preventions" work. We must implement the policy of relying mainly on prevention, establish a "three preventions" management structure, and improve precautionary measures. We must establish, in accordance with State Council regulations, a fire prevention structure and implement a system under which the leadership at various levels will assume full responsibility for fire prevention. We must be able to "rely primarily on prevention but to vigorously fight fires when they occur." We must take effective measures to control plant diseases. We must strengthen quarantine and disease prevention and adopt comprehensive measures to protect forest resources. Local governments and departments concerned at all levels must strictly enforce the law and discipline to stop wanton felling of trees and unauthorized poaching. We must strengthen management and eliminate the causes so as to prevent the outbreak of problems. When problems occur, we must take immediate action to find out the causes and resolve them.

5. Propaganda and education work must be strengthened. Propaganda is an important link in pushing forward the development of forestry and in the expansion of green areas. Each locality and department should seriously carry out this work. Greening propaganda work in the past has realized achievements, but it has not been as widespread as family planning and transport safety propaganda work. This year is the 40th anniversary of the founding of the PRC and is also the 10th anniversary of the tree-planting day. We must grasp this good opportunity to do well in



propaganda work. We must strongly spread the idea that afforestation is a major undertaking by which we protect the country's land, improve the ecological environment, aid modernization, and create wealth for future generations. We must tell people that fostering forests and training people are strategic measures in the building of the two civilizations and advise people of the legal nature, public-interest nature, and all-people nature of tree-planting. We must create strong public opinion and have every household and individual understand the importance of greening. We must further enhance the awareness of all citizens, increase their consciousness and initiative to participate in the voluntary tree-planting campaign, and establish a social mood among the vast numbers of cadres and masses whereby everyone is duty-bound to green the motherland, whereby it is glorious to participate in the voluntary tree-planting campaign and whereby people are not ashamed to fulfill their obligations. Radio, television, and the press must strengthen their greening propaganda work. The forms of propaganda must be diverse and varied, interesting and absorbing, and stress results.

Since the start of the All-People Voluntary Tree-Planting Campaign, large numbers of advanced units, activists, and models have distinguished themselves in the great struggle waged by hundreds of millions of people to transform nature. Each department and unit should commend and award people who successfully carry out their greening task, and then publicize their deeds. The national greening committee will establish "national greening medals" and present them on tree-planting day to individuals who make outstanding contributions to the nation's greening work. This will encourage and mobilize the people and promote the in-depth and sustained development of the mass campaign to green the motherland.

This year's tree-planting day has already arrived and tree-planting activities are gradually developing from the south to the north. The south should immediately set to work and other areas should do well in preparatory work. The opportunity should not be lost to grasp well the spring season and plant trees to build forests, so that this year the afforestation and greening and the all-people voluntary tree-planting can achieve a breakthrough in both quantitative and qualitative levels. Comrades! There are still 12 years until the end of the century. Let us advance despite difficulties, unrelentingly persist in our task, and strongly grasp the mass activities of afforestation and greening the motherland year after year. Thus, through 12 years of effort, and at the same time as achieving the quadrupling of gross national output value, we will be able to lay a brocade cloak over the vast land of China and make it even more beautiful!

### **Economic & Agricultural**

**Rapid Growth of Extrabudgetary Funds Viewed**  
HK0803065589 Beijing RENMIN RIBAO  
in Chinese 5 Mar 89 p 1

[Dispatch by reporter Wang Jingu (3769 6930 7698):  
"China's Extrabudgetary Funds Grow Too Fast"]

[Text] Beijing, 4 Mar—This reporter has learned from the national work conference on collecting state budgetary regulation funds held here today that it is estimated

that China's 1988 extrabudgetary funds will reach 227 billion yuan, 192.3 billion yuan more than in 1978, an annual increase of around 20 billion yuan.

In recent years China's budgetary funds have increased at a slow rate, resulting in expenditure outstripping income and financial deficits for successive years. This forms a sharp contrast to the rapid growth in extrabudgetary funds. Meanwhile, because of decentralized financial resources, the proportion of revenue in national income has dropped from 37.2 percent in 1978 to 19.3 percent in 1988. The serious budgetary financial resources shortages have weakened macrocontrol and readjustment over the economy.

The State Council has recently decided to collect state budgetary regulation funds and amass financial resources from extrabudgetary funds to create conditions for the smooth progress of reform and construction. This will be conducive to guiding the flow of extrabudgetary funds, cut down spending on ordinary projects to ensure key construction projects, reduce social general demand, and control blind construction and excessive consumption. Because of the capital shortage, the task of collecting regulation funds will be difficult and arduous. The Ministry of Finance has called on all localities and departments to take the overall situation into account and promptly fulfill the task of collecting this year's regulation funds.

**Pros Outweigh Cons in Setting Up Stock Market**  
HK0803011189 Beijing JINGJI RIBAO  
in Chinese 17 Feb 89 p 3

[Article by Wang Guomin (3769 0948 3046): "There Are More Advantages Than Disadvantages in Setting Up a Stock Market in China"]

[Text] Generally speaking, only through legal transactions and fair competition in the stock market can we genuinely realize freedom and circulation of stock ownership and standardize the distribution of stock income and increase its market nature. However, it covers a lot of ground and will have a great impact on various fields to establish a stock market. Hence, while making a correct estimate of its important role, it is necessary to pay close attention to problems that may arise. It is also necessary to select the essential and discard the dross and play a more positive role through guidance of macrocontrol policies.

1. The positive role of establishing a stock market in China.

First, the establishment of a stock market is advantageous to the pooling of social funds and easing the sharp contradiction between the supply and demand of capital in China at the current stage. Viewed from the overall situation, China will have to face the reality of a serious shortage of capital and the sharp contradiction between supply and demand for a long time. However, this



contradiction can be mitigated if the pooling of capital is extended to society as a whole rather than merely limited to the traditional channel (mainly state finance and credit funds). If calculated according to the state's current stipulations, the extrabudgeted capital totaled over 200 billion yuan in 1987. If only 10 percent of this amount is used, the sum would at least be 20 billion yuan a year. The pooling of capital through shares has the characteristic of jointly undertaking risks and sharing benefits. It is more attractive than the pooling of capital through all kinds of bonds and has a great latent market. With correct policy guidance and a perfect external environment, the pooling of capital through shares will possibly be another important channel besides bonds for capital accommodation.

Second, the establishment of a stock market will be conducive to stabilizing finance and promoting reform of the financial system. The balance of China's urban and rural savings deposits was 379.8 billion yuan by the end of 1988. If the 170 billion yuan of cash in the hands of inhabitants is added, it would be a huge sum of social capital. If we fail to adopt positive measures as quickly as possible to effectively guide this sum of money to productive undertakings, it will further increase social purchasing power, lead to excessive consumption expenses, and intensify the sharp contradiction between general supply and demand. Meanwhile, China's current financial system is facing the task of a further reform. The establishment and development of a capital market constitutes one of the key links of financial reform as a whole. If a stock market can be set up and developed gradually, it will undoubtedly be conducive to accelerating the process of the current financial reform through the combination and common progress of direct and indirect finance.

Third, the establishment of a stock market can eliminate the malpractices of nominal pooling of capital by some stocks (such as sharing dividends as well as receiving the principal with interests like that of bonds, or ensuring stable dividend yields) and gradually standardize the operation mechanism of social capital as a whole.

Fourth, on the premise of rapidly establishing and perfecting all kinds of laws and regulations, state enterprises should be encouraged to gradually enter the stock market. Hence, the existence and development of enterprises will be determined by the free market rather than the competent departments. Enterprises will genuinely engage in production for the market and seek new development under the relations of market supply and demand. Herein lies the great significance of establishing a stock market.

## 2. The problems that may arise in establishing a stock market.

Undoubtedly, if there are no laws, regulations, or management measures, problems will inevitably crop up after establishing a stock market.

First, it may lead to the macroeconomy being out of control, particularly the investment in fixed assets. Prior to the control exercised over the financial budget, enterprises will inevitably try to expand the scope of investment through various means (which include pooling capital through shares) which may easily lead to an imbalance of the production setup and product mix and further intensify the current excessive scope of investment.

Second, it may continue to encourage the practice of enterprises sharing food from the "big pot." For example, the pooling of capital by many enterprises through shares is not linked with their practical economic results. As the amount of dividends is relatively high, exceeding the average rate of capital profits, they are included in the production costs and profits and taxes to be turned over to the state. Under the pretext of issuing shares to workers and increasing their sense of being masters, some shareholding enterprises excessively issue bonuses and evade taxation. As a consequence, these enterprises share food from the "big pot" on a larger scale which has seriously affected the legitimate income of the state.

Moreover, it may also give rise to speculation and other malpractices.

## 3. The corresponding macroscopic measures.

The establishment of a stock market can play a positive role and also bring about problems. When both factors are balanced, it is quite obvious that the advantages outweigh the disadvantages. Moreover, with perfect laws and regulations and appropriate measures, the problems can be avoided or mitigated. Hence, the following measures can be adopted in the near future to gradually establish a stock market:

1) Be sure of where the shares should be issued. From a long-term point of view, shares should be issued to pool social capital. From a medium-term point of view, however, we should muster funds from all kinds of extrabudgeted capital, self-raised funds and profits retained by collective-run and township enterprises, and the cash in the hands of urban and rural inhabitants. It is strictly prohibited to use state fixed and floating capital and bank loans to pool capital through shares so as to ensure that the legitimate rights of state capital will not be encroached upon and that the pressure on bank credit will be alleviated.

2) Standardize the general procedure of shares offered for purchase. While pooling capital through shares, an enterprise should make public its balance sheet and financial statistics. The balance sheet and financial statistics should be examined and endorsed by the state capital management departments or social notaries so that they are legal. Meanwhile, the enterprises that have gone public should accurately indicate their operation and management level which includes use of capital, labor productivity, and their profits and taxes. It should be noted that the government organs and financial and

banking departments at all levels are not allowed to serve as economic guarantor for any pooling of capital through shares. It is against the rules of pooling capital through shares to make use of government powers or state capital to ensure stable share yields.

3) Define the ceiling of dividends. In principle, dividends and extra dividends should be linked with efficiency. To avoid loss of control in the near future, it is necessary to define the ceiling of dividends. For example, the total amount of dividends and extra dividends should not exceed 15 to 20 percent of the shares purchased. Here the relatively low level of the average profit rate of China's enterprises has been taken into account. As the price, taxation, and other economic parameters are gradually straightened out and when the economic results of the majority of enterprises truly reflect the actual operation and management, the ceiling of dividends will be gradually abolished and be linked with efficiency.

4) Establish a relevant financial system for issuing shares. Dividends and extra dividends should be paid after the levying of income tax and they should not be included into the costs. Meanwhile, the share issuer should establish an "investment dividend fund" from the profits after paying taxes to distribute dividends. In this way we can avoid the practices of cutting down collective welfare benefits, bonuses, and even production and operation funds and using them when the profits of enterprises are not enough to distribute dividends.

5) Establish new categories of taxes and exercise macroscopic regulation and control. This includes: Establishing security distribution tax which should be levied according to the amount of shares issued. The tax rate should be low so that the general scope of share issue in society as a whole can be brought under control. Establishing security transaction tax which can be imposed on share transactions. It should be paid by the issuer or the transferor. To avoid speculative transactions, the tax rate in the near future can be relatively higher.

6) Increase financial services and perfect the laws and regulations such as offering consultative services to share issuers; offering distribution, transfer, clearing off debts, and other services to enterprises that intend to issue shares; selecting some large and medium-size cities to set up stock exchanges; formulating and promulgating "security distribution and circulation management law" and "joint-stock law" as quickly as possible; and making necessary preparations for establishing a stock market.

**Comments on Commodity Economy's Negative Features**  
HK0803014189 Guangzhou NANFANG RIBAO  
in Chinese 5 Mar 89

[Commentator's article: "Commodity Economy and Negative Features"]

[Text] At present the various negative features emerging in society are being extensively discussed among the people. In a seeping manner some people have summed

up the negative features as an inevitable outcome of the commodity economy, holding that they cannot be overcome. As a consequence, there are two extreme tendencies: First, some people are sceptical about the use of developing the commodity economy and bringing into play the market mechanism's role and have a nostalgic feeling about the product economy (which is in fact the natural economy). Second, some people are so accustomed to strange things that they let things slide and even go with the tide. Both attitudes are undesirable because they cannot help overcome the negative features and are detrimental to the commodity economy's growth. We should neither abandon something because of temporary setbacks nor vice versa. The commodity economy should develop and the negative features should also be overcome. Both must be and can be obtained. The key lies in adopting a scientific attitude toward the relationship between the negative features and the commodity economy and in adopting a correct attitude and a countermeasure.

The commodity economy is an inevitable outcome in the development of the productive forces; the development of the commodity economy will further emancipate and develop social productive forces. The vigorous development of the commodity economy in our country over the past few years has not exclusively generated negative features in society. It has brought economic prosperity, a richer life, and social vitality; it has also brought independence, variety, and the enrichment of man's development. The peasants, who have faced the yellow soil with their backs turned toward the sky for thousands of years, have entered a new field of the commodity economy. In the course of practice, new needs, new concepts, and new languages come into being, which develop into a new personality. As Lenin put it, the "reflection" of the development of the commodity economy "in the social field is the 'universal enhancement of personality.'" The development from agricultural to industrial civilization and from natural to commodity economy represents an historic leap. We should see not only the objective necessity of the leap but also the positive significance of this leap in social economy, politics, ideology, and concept. Only in this way can we consciously promote its advance rather than grudgingly follow it. Still less should we be like a square peg in a round hole, lamenting all day that public morals and mores are no longer what they were in the good old days and always thinking of returning to the "good" old days.

As for the negative features brought about by the development of the commodity economy, it is necessary to make a concrete analysis rather than sum them up in a sweeping way as an inevitable outcome of the commodity economy. The change from the natural economy (as well as the product economy in the cities) to the commodity economy has a transitional stage. The basic feature of this stage is the coexistence of "double tracks." Although the old structure has been smashed, it still plays its role; although the new structure has initially taken shape, it is far from perfect. The conflict and



interest relationship between the new and old structures, as well as the changes in the new and old concepts, mingle together, bringing about an extremely complicated and zigzag situation in the transitional stage. It is precisely under such conditions that many negative features have emerged: The first is the dregs that have come to the surface by taking advantage of the interval in the change from the old structure to the new. The practice of abusing one's position and authority to seek personal gain has existed since ancient times and, under the product economy, it has appeared in various forms. In the past 1 or 2 years it has become even more serious despite repeated prohibitions. The reason lies in the huge differences between the double-track prices. The coexistence between the administrative and market mechanisms has provided an opportunity for transactions between power and money. The second is that the measures for developing the commodity economy have been twisted by the traditional forces in such a way as to bring about chaos. Twisted by kinship and petty influence, the institution of the contract responsibility system in some enterprises has become a means by which some people seek personal gain; twisted by the practice of placing regional interest above everything else, the practice of decentralizing power in a vertical way has resulted in some localities blockading each other, monopolizing resources, and even launching "major warfare" to benefit oneself at the expense of others; and some companies have turned into government commerce and into instruments for disrupting the normal order of the commodity economy. The third is that people do not have sufficient experience in developing the commodity economy. There are still many blind spots in people's understanding of the law governing the commodity economy, which has led to unthinking actions and various phenomena in economic life, such as inflation, steep price rises, and panic buying. The fourth is that, in developing the commodity economy, there must be competition, which instills vitality into economic activities and which is bound to bring about certain unthinking actions. Many people fail to adapt themselves to the development of the commodity economy in terms of ideas and concepts and this also leads to chaotic economic conduct. The fifth is the chaos caused by the vast flow of laborers after they have broken free from regional fetters. Due to the fact that the present labor service markets are far from perfect (they even do not exist in some localities), many laborers blindly flow from one place to another. In a "strangers' society" the binding force of morality weakens. Given that some people find it difficult to make ends meet, they tend to do impermissible things. This, plus the fact that some criminals on the run take advantage of the opportunity to commit crimes, has resulted in a grim situation in public order. The sixth is that, given the commodity economy, money's status and role have markedly increased in society. This can easily give rise to the trends of money worship and the ideas of premature consumption. The result is that some people make reckless moves and the decadent phenomena which disappeared for many years has spread again. The seventh is that, in developing the commodity economy, it is

necessary to open up to the outside world. In this process, the bourgeois decadence, declining ideas, culture, and way of life take advantage of this opportunity to corrode people. This is an external factor bringing about unlawful practices and crimes.

It can thus be seen that, although their natures and causes are different, the negative phenomena existing in present society have the obvious feature of a transitional stage, which can be called the syndrome of the transitional stage from the natural to the commodity economy. Many countries also have similar problems at this stage. That is to say, many negative features are linked to the development of the commodity economy at a certain stage and are the outcome of the commodity economy, which has developed to some extent but not sufficiently. With the further development of the commodity economy and the improvement of the new structure, some negative phenomena will gradually disappear, some will weaken, and some will remain for a long time. Instead of being perplexed by some complicated and confusing phenomena, we must be ideologically prepared against this. It is inevitable that some disorderly and irregular conditions will exist between the old order and the new order. A fundamental method to solve this problem is to continuously develop the commodity economy and gradually establish and perfect its new structure and order instead of retreating to the environment of the natural economy.

Does this mean that we should only let the negative phenomena exist and develop at this stage? No. When we say that negative features are bound to emerge in the transition from the product to the commodity economy, we refer to the conditions and basis for their existence rather than say that they are uncontrollable, still less do we say that the more the better. On the contrary, what we need at this stage is political and economic stability, as well as the relative stability of social mentality. Whether or not we can effectively prevent and overcome the negative features serves as a basic condition to smoothly accomplish this transition. Economic stability cannot automatically promote the building of spiritual civilization and social stability. While devoting ourselves to promoting material civilization and vigorously developing the commodity economy, we must devote ourselves to promoting the building of socialist spiritual civilization. The development of history shows that after the problem of food and clothing is resolved, people not only raise but also diversify their demands. This sets a new and higher requirement on the building of spiritual civilization. Meanwhile, the birth of the new structure and new order of commodity economy needs a driving force not only economically but also spiritually. We are developing the commodity economy under socialist conditions. Socialism's superiority finds expression not only in its ability to promote the rapid development of the productive forces but also in its ability to develop good political ideas and social conduct. As long as we give scope to our political superiority, carry forward our fine traditional style, strive to adapt ourselves to the requirements of the new structure and the new order, and



cultivate new ideas, mores, and concepts, we will certainly be able to effectively resist the corrosion of decadent ideas, reduce negative features to the minimum, and thus create a good social condition for the establishment of the new structure and new order. Precisely because of this, the party Central Committee has repeatedly pointed out the need to pay simultaneous attention to the development of the commodity economy and to the work in ideological and political fields. The provincial party committee has also adopted effective measures and practical steps. As required by the party central committee and the provincial party committee, we should keep a clear head in the face of the negative features. We should not only vigorously develop the commodity economy but also do a good job of building spiritual civilization, prevent and overcome the negative features, and thus make new contributions to the cause of "achieving the four modernizations and rejuvenating the Chinese nation"!

#### **Imported Technology Poses Problems**

HK0703142789 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1004 GMT 6 Mar 89

[Report: "China Encounters Difficulties in Manufacturing Products After Importing Some 3,000 Items of Advanced Technology and Sets of Advanced Equipment"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong 6 Mar (ZHONGGUO TONGXUN SHE)—In the wake of reform and opening up to the world China has imported some 3,000 items of advanced technology and sets of advanced equipment. Along with them they brought problems in manufacturing products. All signs show that China has encountered great difficulties in manufacturing products which will not be resolved in a short period.

The thorniest problem is the gap in technology and technique. It seems that China has suffered from impetuosity in its decision making. Whenever the import of technology and equipment is involved the most advanced is sought without considering China's capabilities in digesting and absorbing it. Take the Sino-U.S. joint-venture, the Cherokee Jeep Manufacturing Plant for example. The technology imported by the plant was up to mid-1980s standards, but the level of China's car industry is 30 or 40 years behind world advanced level. The difficulties in manufacturing the Cherokee jeep therefore can be imagined. At present, 57 percent of the parts must be imported. China-made parts are either of poor quality or more expensive than imported ones. China-made upholstery materials are not up to standard in strength, elasticity, and air permeability. The China-made car door lock is only up to 50 percent of Cherokee standards. The production cost of the overwhelming majority of Chinese-made parts are higher than U.S. products, some even several times higher.

Factories producing parts in conjunction have to import advanced technology and equipment to improve their quality and to cut back production costs. However, the jeep manufacturing plant demand for such parts is small and it does not pay to import the equipment needed.

The conditions in the Beijing Jeep Manufacturing Plant are by no means exclusive, they are universal. People hold different views as to the economic results of China-made products, believing that making them at home does not necessarily guarantee high economic results, and that making the products at home is a process in which advanced technology and projects are being mastered and digested as a means of upgrading the level of homemade products. Therefore high production costs are inevitable for a certain period. Only when a substantial raise in the entire industrial level is realized will high economic results be in sight.

#### **Energy Shortage Causes Drop in Steel Production**

HK0403035089 Beijing CHINA DAILY in English  
4 Mar 89 p 2

[By staff reporter Xie Songxin: "Energy Lack Hurts Steel Output]

[Text] China's iron and steel production dropped drastically at the beginning of this year because of a severe shortage of electricity and coal.

The industry produced about 4.5 million tons of steel in January, 640,000 tons below the month's target and 9.8 percent less than the output of January 1988, Qiu Xuanyi, director of the production department under the Ministry of Metallurgical Industry, disclosed yesterday.

Pig iron production during the period was 4.3 million tons, 490,000 tons below the target and 8.8 percent less than that in the same period last year.

Output of steel products also dropped by 6.7 percent.

More ample power and coal supplies during Spring Festival, when other factories stopped production for the holiday, pushed steel output up to 150,000 tons during the first 10 days of February, compared with 144,000 tons during the same period in January. But it dropped again to 144,400 tons during the second 10 days of the month.

Severe shortages of coking coal supplies, which began showing up during the second half of last year, are hampering the industry's ambition to increase steel output by 3 million tons for the sixth year in a row.

Coal stockpiles in Anshan, Baotou, Shoudu and Taiyuan iron and steel complexes were enough for no more than one to three days' production in January.

Qiu predicted that the situation won't improve until April.

He said that the State Council is drawing up measures to supply enough coal and other raw materials to iron and steel plants to ensure the industry to produce 60 million tons of steel this year.

The Ministry of Metallurgical Industry will adopt new measures and technology to reduce coal and electricity consumption. It has called on the industry to save 1.7 million tons of coal and 500 million kilowatt-hour of electricity this year.

**Model Grain Sellers View Cultivation**  
*HK0803071789 Beijing NONGMIN RIBAO*  
*in Chinese 1 Mar 89 p 1*

[Report by correspondents Yang Zhimin (2799 1807 3046) and Sun Naihui (1327 0035 2585): "Ten Model Grain Sellers Discuss Grain Cultivation With Us"—First paragraph is NONGMIN RIBAO introduction]

[Text] Of all affairs, be they agricultural, family, or state, feeding the population is a matter of paramount importance. Every single word uttered to vent one's anger, to joke, or grumble reflects the true state of people's minds.

On the evening of 27 February, 10 representatives of major grain selling households who attended a national meeting to commend model grain sellers came to this newspaper's office as guests on invitation. Entrusted by the people of their home towns, they spoke glowingly of their agricultural development and grain cultivation plans.

**"Arriving at the NONGMIN RIBAO Office Means Arriving at Our Own Home. It is Only Natural That We Speak Our Innermost Thoughts and Feelings."**

At the informal discussion Tian Guangsheng (a peasant from Chunqian Village, Yaquehu Township, Boyang County, Jiangxi Province) was the first to take the floor. He said with feeling: "The grand reception accorded us during our Beijing stay to attend the meeting shows that leaders at various levels attach importance to agriculture, and in particular, grain production."

"That is right! Right!" a representative from Anhui (a peasant from Shahe Village, Qilihu Township, Dongzhi County) who was short and slight as well as capable and dexterous said immediately after Tian finished: "Since I have arrived at my in-laws' home, I am not afraid of being laughed at by you. In the past, my family of seven members had only three pairs of trousers. Rural reforms over the last 10 years have brought us peasants the conditions and opportunity to get rich. Tang Yishun, representative from Yutian County, Hebei Province, said quite definitely: "Arriving at the office of NONGMIN RIBAO means arriving at our own home. Let me speak my innermost thoughts and feelings. Can we become prosperous by relying on agriculture? We can. What counts in this regard is the support of leaders at all levels. Since 1982, when I contracted for 150 mu of land, I have sold to the state 263,000 kilograms in commodity

grain, netting 240,000 yuan in income from agricultural and sideline production. Can all this be achieved without the party's good policies and the government's good leadership? It cannot. Our governor comes to my village and offers personal guidance every year and our county head assumes personal command in the chemical fertilizer plant to supervise the distribution of chemical fertilizers. This shows that the importance attached by the government to agriculture is where the hope of agricultural invigoration lies."

**That It Is Hard To Make Money by Growing Grain Has Sapped Strength Needed To Back Continued Agricultural Development**

"There is a stipulation demanding that grain produced by the wasteland reclaimed using the peasants' investment be handed over to the state. This is unreasonable!" This first remark uttered by Jiangsu representative Zhang Shizhao (a peasant from Chunguang Village, Changgou Township, Baoying County) met with everybody's approval. He said: "The land contracted by major grain growing households was formerly wasteland. We invested in it by taking risks and have never used any penny of state investment in producing our grain. This means our contributions to the state. Last year if I had sold my grain on the free market, I would have reaped 20,000 yuan more in income than when I sell solely to the state. Then I could have used that money to continue to open up wasteland for further production." Soon afterward, Henan representative Li Zhiping (a peasant from Wangguizhuang Village, Wadian Township, Anyang County) said: "That is true. The state has not invested in wasteland reclamation. To encourage the peasants to develop wasteland, they should be allowed to make some money."

"At present is selling grain a money-making or many-losing business?" The discussion became lively as soon as this issue was mentioned. Tian Guangsheng said straightforwardly: "It is a money-losing job. There are two reasons behind my argument: One is that price parities between internal agricultural production departments are different and growing grain crops is less profitable than growing other crops. The other is that price parities between different farm products are irrational. For example, in 1988 farm chemicals prices went up 100 percent over 1987, but how much did grain prices rise? The difference was too large and grain cultivation costs too dearly." His remarks were echoed by others. Shandong representative Meng Fanqun (a peasant from Nanjian Village, Chengguan Town, Longkou City) said: "In our village the 10-day income of a watermelon seller at the railway station is equal to my income of working a mu of land for a year." Guangxi representative Yang Boan (a peasant from Xincun Village, Shilong Township, Guiping County) said: "In our village, diesel oil sells 2.8 yuan per kilogram! As a result, I dare not use my machines."

The question of "inadequate capacity for continued agricultural development" all the more sparked a lively discussion among participants.



From his personal understanding, Meng Fanqun discussed the problem of soil fertility among other things. He said: "When I first contracted the land, it was covered with deserted grass. In 1986 its output was 235 kilograms per mu and in 1987 the output hit a record high of 404 kilograms. What counts in this regard lies in attaching importance to organic fertilizer input. For this I raise 60 pigs. However, contrary to this, since the state does not have adequate knowledge about what is really going on with pig farming, pigs were slaughtered the moment they grew in number. This resulted in a lack of sources for organic fertilizer and declining soil fertility."

"Water conservancy is a big problem! Since 1977 quite a lot of large-sized water conservancy projects have been undertaken. However, in the last decade, not only were few undertaken but even existing ones have not been maintained or repaired. We are always worrying about inadequate facilities to drain waterlogged areas. We cannot see the consequences of this state of affairs at a time when there is timely wind and rain. However, once severe drought or waterlogging hit, all will be finished!" said Zhang Shizhao with anxiety.

#### **Policy Should Be Stable, Policy Swings Will Not Serve the Purpose**

Hoping for stability in policy was the universal demand voiced at the discussion. Liu Wenbao (from Wanglou Village, Guduo Town, Xianyang County, Hubei Province) said frankly: "When the masses asked me to go to Beijing to make suggestions to our leaders, I said to myself: How should I make suggestions? Whom should I direct my suggestions to? The current situation is that you have your policies and we have our countermeasures. You propagated that the contract term would not change for at least 15 years. However, it changed in 2 or 3 years at the lower levels. In our village many people still do not have enough food and clothing. How can this policy swing serve a purpose?"

Zhao Hongyu (a peasant from Haoraoshan Township, Zalantun City, Hulun Buir League, the Inner Mongolian Autonomous Region), from the biggest grain selling household in the nation, said unhurriedly: "Prices are rising and state financial departments have difficulties offering subsidies. We can understand this. However, where has the state's money gone? The state does not have money to subsidize grain production but it has money to build office buildings, auditoriums, restaurants, and hotels. How much money does it spend for this a year?"

Liu Wenbao said: "We stress macroeconomic control but grain production has slipped out of control. For example, grain purchases are carried out in a planned way while material supply is done in an unplanned way. Everybody rushed headlong into mass action in raising a certain animal or planting a certain crop. As a consequence, both the peasants and the state suffered. In our

county, a certain township grows tobacco alone on more than 10,000 mu of land. Good heavens! There are tobacco leaves everywhere!"

Yang Boan said: "Currently social order is not in good shape. Laws are not enforced strictly. How can production take off without a stable environment?"

#### **"What Measures Do You Think the Government Should Take To Encourage Expansion in Agricultural Production?"**

During the 2-hour formal discussion the enthusiastic model grain sellers sincerely suggested ways and means to the government. They stated their views frankly one after another and occasionally there were brief debates among them.

Zhao Hongyu said: "Grain prices should be readjusted. It is best to readjust them at a single stroke. This will help solve the grain problem in the long term." Chipping in, Zhang Dehong said: "It will not do to effect drastic price readjustments. We should strive for appropriate price readjustments. Only in this way can the prices of meat, poultry, and eggs be kept stable. Moreover, selling prices should also be stabilized. Unstable grain prices will affect the overall situation." Afterward, Tian Guangsheng said: "In my opinion, apart from the problem of raising grain prices, most importantly, the price parities between industrial and agricultural products should be rationalized. It is necessary to give overall consideration to the prices of grain, fertilizers, and oil so that there are prospects of gain in grain cultivation."

Meng Fanqun said: "It is necessary to formulate a relevant policy of rewarding those who apply more organic fertilizer and punishing those who apply no such fertilizer."

Wang Chengzhi said: "The current argument says that as far as investment in water conservancy is concerned, 'those who benefit should bear the burden.' The masses of people cannot raise funds for a short while for medium-sized water conservancy projects! The state must subsidize such projects by allocating special funds so as to meet the pressing need. We peasants in Jilin Province hope that the state will set up more grain production centers in the counties of our province. If state investment is used in a concentrated way, this will serve as a guarantee for the masses to develop grain production on a long-term basis."

The further the discussion went on, the livelier it became. It was already 22:30 in the deep of night. A comrade in charge of the newspaper's office earnestly said to the 10 model grain sellers: "I thank you all for coming to our office as our guests. After you return home, please tell your fellow villagers that there is a newspaper called NONGMIN RIBAO in Beijing. It is the peasants' own newspaper. If they have any problems, feel free to contact us. This newspaper will surely do its best to help them."



### East Region

**Wang Guangyu Addresses Anhui Economic Meeting**  
*OW0603080689 Hefei Anhui Provincial Service*  
*in Mandarin 1100 GMT 15 Feb 89*

[Text] Responsible persons of the Provincial People's Congress Standing Committee, Provincial People's Government, Provincial People's Higher Court, and Provincial People's Procuratorate held a joint meeting on the afternoon of 13 February to exchange information, discuss problems, and coordinate action on implementing functions and responsibilities entrusted by the Constitution and other laws and on fulfilling duties according to the law.

Wang Guangyu, chairman of the Provincial People's Congress Standing Committee, attended and spoke.

Su Hua, vice chairman of the Provincial People's Congress Standing Committee, Vice Provincial Governor Fu Xishou, Wang Chengle, president of the Provincial People's Higher Court, and (Hong Jianhua) chief procurator and the Provincial People's Procuratorate gave reports on major tasks planned for 1989 and discussed further improvements on the economic environment and rectifying economic order.

Chairman Wang Guangyu said: The People's Congress Standing Committee, provincial government, the People's Higher Court, and the People's Procuratorate must all adhere to the principles and policies of the party Central Committee and abide by the Constitution and other state laws in fulfilling their duties and responsibilities. The People's Congress Standing Committee must supervise, support and lend assistance to the provincial government, the People's Higher Court, and the People's Procuratorate. He emphatically pointed out: The current task of improving the economic environment and rectifying economic order is a very arduous one. However, it must be done, particularly the two jobs of reducing the inflation rate and having a bumper agricultural harvest, in order to ensure the smooth progress of reform and construction.

Wang Guangyu also talked about a just, honest, and clean government and fulfilling official duties according to the law.

He said: All major cases must be investigated and handled. The companies must be further straightened out. Screening of office buildings, guest houses, and auditoriums must be strict.

Also attending the meeting were Ying Yiquan, Chen Tingyuan, Chen Tianren, and Huang Yu, vice chairmen of the Provincial People's Congress Standing Committee.

**Anhui Secretary Addresses Cultural Conference**  
*OW0803030989 Hefei Anhui Provincial Service*  
*in Mandarin 1100 GMT 28 Feb 89*

[Text] A provincial cultural work conference to map out arrangements for this year's work was held in Hefei from 22 through 25 February. The conference was attended by some 60 commissioners and mayors in charge of cultural work, as well as propaganda department and culture bureau directors in all prefectures and cities.

Lu Rongjing, secretary of the provincial party committee and governor, paid a courtesy call on and talked to comrades attending the conference. He said: An important task in the cultural work is to adapt the work to the penetrating changes arising from the new situation. A good job done in cultural work will exert a favorable influence on the political and economic development, social progress, and the party's cause.

Stressing the importance of cultural work for improving the outlook of rural areas and building Anhui, Comrade Lu Rongjing called on cultural departments and the large number of writers and artists to display their advantages, carry forward the fine tradition of going down to the grass roots, and inspire the people with positive propaganda.

Niu Xiaomei, member of the Standing Committee and director of the Propaganda Department of the provincial party committee, attended and made a closing speech at the conference.

Vice Governor Du Yijin reported on the structural reform of performing art troupes, supervision over the cultural market, and celebrations for the 40th national founding anniversary in Anhui. He also attended a discussion with the participants on the current cultural work.

The main topic of the conference was to accelerate and strengthen the structural reform of performing art troupes. The participants were briefed about a plan for carrying out the structural reform and relayed the guidelines of the national cultural work conference. The participants had a serious discussion about and offered suggestions for revising the plan.

**Fujian Provincial Poverty Work Meeting Opens**  
*OW0603084789 Fuzhou Fujian Provincial Service*  
*in Mandarin 1100 GMT 24 Feb 89*

[Text] The provincial shake-off-poverty work conference and commendation meeting held by the provincial party committee and government opened today in Fuzhou. The conference called for raising the next 2 years' work of shaking off poverty and achieving prosperity to a new level.

The provincial leaders attending the conference included Chen Guangyi, Wang Zhaoguo, Jia Qinglin, Cheng Xu, Wang Ming, Zhang Kehui, He Shaochuan, Lin Kaiqing, You Dexin, Chen Mingyi, Shi Xingmou, and Gao Hu.

In his speech, Comrade Chen Guangyi said: Our province's charity work has made great headway in the past 3 years. However, it does not mean that the work is finished. In our current efforts to rectify the economic order and improve the economic environment and stabilize the economy and the whole situation, we are also required to keep up our good work in removing poverty from and bringing prosperity to our province. We must push further ahead with the economic development of the poverty stricken areas, vigorously strengthen the leadership in the charity work, and continue to carry out the various charity measures. Both provincial level leaders and departments should continue to establish contacts with poverty stricken counties. All localities should establish and improve corresponding work responsibility systems. I hope that all of us will make incessant exploration into these fields so as to create new experiences.

Comrade Jia Qinglin delivered a speech at the conference, entitled: Sum up experiences, continue to work hard, and bring the task of shaking off poverty and achieving prosperity to a new level. He said: Thanks to the past 3 years' work in helping the poor, the economic and social development of the poverty stricken areas has achieved notable progress. Over 85 percent of the whole province's poor households has basically solved the food and clothing problem. On his ideas of performing the charity in the last 2 years of the Seventh 5-Year Plan period, Comrade Jia Qinglin said: The general requirements for the poverty work in the next 2 years are that we should, under the guidance of the general policy of reform and opening up, enhance leadership, tackle the task of rectifying the economic order and improving the economic environment, persist in self-reliance, rely on scientific-technological advances, continue to carry out the preferential policy and an open economic policy, place emphasis on management and administration, attach importance to economic returns, realize the five transformations, consolidate and protect the beneficial results of the charity work, and raise to a new level the task of shaking off poverty and achieving prosperity. By 1990, we should raise the percentage of the province's poor families able to have enough to eat and wear from 85 to at least 95; bring the growth rate of the average per capita net income of the peasants close to that of the provincial level; enable scientific, educational, and cultural undertakings to make new developments; and help the poverty stricken areas undergo further changes. We should also strive to reach the goal of our 5-year plan to enable the poor to end poverty by 1990, and the goal of our 8-year plan to enable the poor to end poverty, but also make contributions by 1993.

**Jiangsu Congress Standing Committee Session**  
OW0803030789 Nanjing Jiangsu Provincial Service  
in Mandarin 1015 GMT 28 Feb 89

[Text] The Standing Committee of the seventh provincial People's Congress begins its seventh session today in Nanjing.

At the plenary meeting held this morning, (Peng Menglin), chairman of the provincial Planning and Economic Commission, and Jiang Qiwen, director of the provincial Finance Department, delivered their respective reports on behalf of the provincial government. They respectively reported on the implementation of the 1988 provincial plan for economic and social development and proposed projection for 1989, and on the financial work done by our province in 1988 and the proposed budget for 1989. These two reports will be examined by the provincial People's Congress in its session scheduled for April.

The meeting also heard an explanation by the provincial People's Congress on the draft revision of its decision on several questions concerning proposals and an explanation by the Standing Committee of the People's Congress on the draft regulations concerning the handling of the proposals and criticisms made by the deputies to the provincial People's Congress.

Han Peixin, chairman of the Standing Committee of the provincial People's Congress, presided at this morning's plenary meeting. Vice Chairmen Li Zhizhong, Xing Bai, and Li Qingkui attended the meeting.

Attending the meeting as observers were Vice Governor Chen Huanyou; Li Peiyu, president of the provincial Higher People's Court; Qin Jie, chief procurator of the provincial People's Procuratorate; responsible persons of the concerned departments of the provincial government; and responsible persons of the standing committees of the people's congresses of 11 cities and some counties.

**Jiangxi Party, Government Leaders Plant Trees**  
OW0803074189 Nanchang JIANGXI RIBAO  
in Chinese 22 Feb 89 p 1

[By reporter Yang Anping]

[Text] On the morning of 21 February, party and government leading cadres in Jiangxi Province and Nanchang City endured freezing weather and came to the Qingshan Lake Main Street to plant trees, thus raising the curtain on the voluntary tree planting campaign in the province for this year.

It was a drizzling, cold day in early spring in Nanchang. Around 0820, party, government, and Army, leaders in Jiangxi Province and Nanchang City, including Mao Zhiyong, Jiang Zhuping, Wang Baotian, Lu Xiuzhen, Wang Taihua, Ma Shichang, Zhao Zhenyi, Wang Shufeng, Zhu Zhihong, Xu Qin, Pei Dean, Huang Huang, Qian Jiaming, Zhang Fengyu, Wu Yongle, Wang Guande, Shen Shanwen, Shen Zhongxiang, Li Aisun, Cheng Andong and others, together with some 400 cadres from various government organs, came to the Qingshan Lake Main Street in cars. They used their own tools to dig holes, plant the saplings,

and put soil around the trees. After more than 2 hours, they had planted 2,000 poplar trees, 1,000 camphor trees and 500 oleanders along the 5.2-kilometer-long Qingshan Lake Main Street.

**Jiangxi Governor Inspects Jiujiang City**  
*OW0603084289 Nanchang Jiangxi Provincial Service  
in Mandarin 1100 GMT 22 Feb 89*

[From the "Provincial Hookup" program]

[Text] During his investigation and study tour of Jiujiang City from 13 to 16 February, Governor Wu Guanzheng called for making the city into an important industrial base of Jiangxi; a traffic hub of northern Jiangxi; a foreign trade port; a big market in the region neighboring Hubei, Anhui, and Jiangxi; and a sightseeing center in the middle and lower reaches of the Chang Jiang. Wu Guanzheng pointed out that Jiujiang City has a good geographical location, modern transportation and communications facilities, and a relatively good industrial foundation and therefore has the potential to develop more rapidly. He stressed that the city currently should pay attention to work in six areas: First, it should concentrate on strengthening enterprise reform and improving enterprise management. It should adopt the mechanism of competition in enterprise management; select qualified enterprise managers through competition; thoroughly carry out a campaign to increase production and practice economy, and to increase revenues and trim expenses; and strive to make full use of its available capital and facilities. Second, it should pay great attention to rural economic development. It should meticulously draw up a general agricultural development plan aiming to improve the people's livelihood and help all townships and counties under the jurisdiction of the city to prosper, continue to readjust its agricultural structure, vigorously promote diversified economy, develop rural enterprises, make more investments in developing science and technology, and work hard for an agricultural bumper harvest this year. Third, it should build itself into a big market in the region neighboring Hubei, Anhui, and Jiangxi. In particular, it should systematically develop markets of grain, edible oil, tea leaves, small commodities, tourist commodities, and [words indistinct]. Fourth, it should develop tourism as a smokeless industry. It should take full advantage of its tourist resources, develop some new projects with special features, and pay attention to improving tourist management and service. Fifth, while adhering to the system of public ownership, it should give full support and provide better guidance to the development of collective, individual, and private economy, and improve administration over these economies. Sixth, it should ensure good supportive work for the construction of key projects.

Wu Guanzheng said we should strengthen party-building, ensure administrative honesty, properly conduct education in the current situation, show concern for the people's lives, ensure the supply of daily necessities, and do everything we can to ensure that this year's price increase will be

considerably lower than last year's. I hope cadres and the masses of Jiujiang City will further expand their minds, commit themselves to reform, boldly open themselves to the outside world, make good use of opportunities they have, work in unity, and strive for a balanced economic development and economic stability while improving the economic environment and rectifying the economic order. I hope Jiujiang will increase its financial revenues, raise its people's living standard, and make greater contributions to Jiangxi's economic development.

Accompanying Governor Wu Guanzheng during his inspection tour of Jiujiang City were responsible comrades of departments concerned directly under the provincial authorities and of the Provincial Government's Group for Studying and Directing Development of Jiujiang City.

**Shandong Economic, Trade Symposium Ends**  
*SK0803065889 Jinan Shandong Provincial Service  
in Mandarin 2300 GMT 6 Mar 89*

[Excerpt] The sixth Shandong Provincial symposium on external economic relations and trade concluded on the afternoon of 6 March at the Foreign Trade Center in Qingdao. This symposium was held under the new situation of improving the economic environment and rectifying the economic order. Over the past 10 years, this symposium received more than 2,200 traveling traders from 34 countries and regions in the 5 major continents; and signed 312 contracts and agreements valued at \$416 million. The transaction volume of exports amounted to \$157 million, overfulfilling the prescribed target.

Participating in the symposium were some 120 companies and enterprises of the province. On display were some 8,000 kinds of traditional export products and newly developed brand-name and quality products, covered by some 1,400 categories. At the same time, 375 new discussion projects were made public during this symposium, with the transaction rate reaching 87 percent or higher.

The six provinces and region along the Huang He also participated in this symposium for the first time. These provinces and region exhibited some 200 kinds of brand-name, quality, special, and new products at this symposium, with the transaction volume reaching \$4 million. At the same time, these provinces and region signed 99 items with Shandong Province on technology cooperation and transfer, joint production and sales, and materials and goods exchange. This indicates a successful attempt to develop lateral economic associations among the provinces and region along the Huang He, and to commonly develop the international markets. [passage omitted]



**Shen Zulun Attends Zhejiang Plenary Meeting**  
*OW0203073289 Hangzhou ZHEJIANG RIBAO*  
*in Chinese 15 Feb 89 p 1*

[Text] The provincial people's government held a plenary meeting on 11 February. Governor Shen Zulun attended the meeting, at which he first reviewed and affirmed the achievements in 1988, and then revealed tasks planned for this year, especially for the coming months.

Shen Zulun said: The basic guiding thought for the work of the provincial government this year is that we shall conscientiously implement the guiding lines of the 3d Plenary Session of the 13th CPC Central Committee and the eighth provincial CPC congress, under the leadership of the CPC Central Committee, the State Council, and the provincial party committee. With the help of the great masses of cadres and the people in the province, we shall stick to the principle of reform and opening up to the outside world, and resolutely carry out the concrete measures of "improving the economic environment, rectifying economic order, and comprehensively deepening reform." The general requirements for economic work are to stabilize the economy, advance reform, and adjust structures. We must overcome difficulties by every possible means to solve the problems we are now facing. We also have to actively encourage the deepening of reform and face new developments. We must unify the spirit of the 3d Plenary Session of the 13th CPC Central Committee and of the 13th CPC Congress. We must combine the measures to improve the economic environment and rectify economic order with those of implementing the general principle, policy, and strategies of the 13th CPC Congress. In this new year, the work of the provincial government will focus on the development of the commodity economy on the one hand, and the domain of ideological work on the other. This not only serves the need of long-term economic development, but also that of overcoming the present difficulties. All departments, organs, and enterprises must pay attention to ideological and political work.

During his speech, Shen Zulun pointed out 10 aspects of work that need to be done on a priority basis in this year, especially in the coming months. These are: 1) resolutely implement the principle of improving the economic environment and rectifying economic order introduced by the CPC Central Committee; 2) increase effective supply by every possible means; 3) exert the greatest effort to achieve the goal of making the price increase rate lower than last year; 4) try hard to adjust the economic structure; 5) endeavor to enlarge exports; 6) be persistent in deepening reform; 7) implement a stricter financial and monetary policy; 8) accelerate the development of scientific and technological education; 9) maintain stability and unity, creating an excellent social environment for improving the economic environment, rectifying economic order, and deepening reform; and 10) be persistent in implementing family planning. Shen

Zulun urged that all departments of the provincial government keep the overall interests in view and pay attention to inter-departmental coordination to do the job properly.

Shen Zulun stressed: All the tasks for this year are very arduous. We must bring our political advantage into full play. We must strengthen ideological and political work in all departments of government and increase our self-improvement. First of all, we must stress education in the current situation. This is, in fact, a kind of reeducation for cadres and the people, which is based on the present reality, in the general principle and policy of reform and opening up to the outside world. Some grass-root units in our province have conducted education on the present situation. The result has proved that this kind of education is beneficial to increasing the level of political consciousness. What is more important is that it is also beneficial to strengthening cohesiveness of the party and the state. We shall transform this education into a driving force for the implementation of improving the economic environment, rectifying economic order, deepening reform, and other tasks. We shall also make it a work of capital construction. Organs at the provincial level also have to receive education in the current situation. We must promote our political consciousness, enhance our spirit, rally around the CPC Central Committee, and do our jobs well in the light of present reality. Meanwhile, we must pay attention to improving the work style of our organs, to investigation and research, and to maintaining close ties with grass-root units. We must particularly take the lead in improving governmental integrity and fighting corruption. All units must resolutely adopt measures to practice governmental integrity. All these measures must be strictly observed, with leading cadres playing a vanguard role. We must strengthen the administrative supervision system and bring the role of supervision departments into full play to fight corruption. We have to continue to implement the system of unit responsibility. All units must formulate their new goal on the basis of last year's achievements and this year's tasks, and mobilize the people to make contributions to improving the economic environment, rectifying economic order, and deepening reform.

Vice Governor Xu Xingguan presided over the meeting. Vice Governors Li Debao and Chai Songyue and other leading officials of the provincial government attended the meeting. Major leading persons of the units directly under the provincial government and provincial liaison offices set up in other localities also participated as observers.

**Zhejiang Party Secretary on Developing Technology**  
*OW0803085089 Hangzhou Zhejiang Provincial Service*  
*in Mandarin 1000 GMT 1 Mar 89*

[From the "Provincial Hookup" program]

[Text] Li Zemin, secretary of the Zhejiang Provincial CPC Committee, today asked party and government leaders at all levels in the province to raise the level of

their understanding and, in accordance with the party's strategic thinking and policy, to bring economic construction onto the path of relying on technological advance and improvement of the workers' standards.

In his address to the provincial conference on science and technology and education, Li Zemin said: Since the 3d Plenary Session of the 11th CPC Central Committee, science and technology and education have developed rapidly in Zhejiang. The foundation and the situation are good. However, we should also soberly realize that science and technology and education in our province fall short of the demands of economic and social development, that they are still basically out of line with the economy, and that our science and technology and education standards are still behind other provinces and municipalities with comparable gross industrial and agricultural output value.

Li Zemin said: This situation was caused by objective factors as well as problems in our work and understanding, in particular, the understanding of our leaders.

Li Zemin asked leading cadres at all levels to review Comrade Deng Xiaoping's exhortation on this subject and overcome the short-sightedness in the ideology guiding economic work. He said that those who fail to do so are guilty of dereliction of duty.

He said: While raising their understanding, leaders at all levels should take concrete steps to ensure the success of science and technology and education work. Principal leaders should give as much of their personal attention to science and technology and education as they give to economic work, otherwise they are guilty of dereliction of duty.

He pointed out: It is necessary to give more attention to planning. It is necessary to proceed from the local conditions and draw up mid-term and long-term as well as short-term plans. It is necessary to give more attention to policy. While implementing state and provincial policies, it is necessary to formulate policies suited to the local conditions. It is necessary to develop, in the course of reform, a mechanism that will help resolve questions related to the development of science and technology and education and its integration with economic development. It is necessary to improve coordination between various sectors. It is necessary to pay attention to the ranks of scientific - technological and educational personnel. It is particularly important to ensure the stability of the rural contingent of scientific - technological personnel. It is also necessary to give attention to the supervisory work.

### Central-South Region

#### Guangdong Outlines Agricultural Measures

HK0403065989 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 4 Mar 89

[Text] In order to speed up Guangdong's agricultural development and achieve bumper harvests, especially in grain, the provincial party committee and government

recently issued a decision on a number of issues in striving for bumper harvests. The decision makes the following points:

1. Conduct extensive and thorough education in the current situation throughout the rural areas.
2. Take effective measures to increase investment in agriculture.
3. Set up an agricultural development fund system.
4. Increase supplies of chemical fertilizer and other agricultural production materials.
5. Strictly control the occupation of farmland and stabilize the grain area.
6. Regard improving low-yielding land as an important measure for increasing grain output.
7. Popularize scientific cultivation techniques centered on hybrid rice and other fine-strain seed.
8. Actively develop dry grain and forage grass production.
9. Actively set up and develop agricultural commodity bases.
10. Steadily develop the township and town enterprises in the course of improvement and rectification.
11. Strengthen the building of the science and technology network in the rural areas.
12. Strengthen leadership over agricultural production.

#### Hainan Discipline Inspection Meeting Ends

HK0603013789 Haikou Hainan Provincial Service in Mandarin 2300 GMT 5 Mar 89

[Excerpts] The Hainan provincial conference on discipline inspection and supervisory work concluded on 5 March. [passage omitted]

In a report, Comrade Dong Fanyuan, secretary of the provincial discipline inspection commission, reviewed the achievements in the province's discipline inspection work last year and the current problems. He also proposed the general direction of the work for 1989 noting that it is necessary to continue implementing the guidelines on governing the party with strictness, investigating and dealing with violations of discipline, helping the party committees to build clean government, and raising the party's discipline inspection work to a new level to ensure the implementation of the Third Plenary Session spirit and the healthy development of the large special zone. The report proposed specific methods and measures in line with this general demand.

Provincial Party Committee Secretary Xu Shijie made an important speech at the concluding session. [passage omitted] He said: The achievements of the past 10 years show that the great majority of the party's cadres are good and work with initiative. However, certain cadres and party members cannot withstand the test and indulge in graft, corruption, and so on. At present we must make an appropriate analysis of party discipline, clean government, and corruption. We must determine whether people are using their power to pursue profits. This is the core issue. Having grasped this, we have grasped the main matter.



We must promptly investigate and deal with major cases, especially those involving leading cadres. The central authorities have bestowed upon Hainan many favored policies in order to develop production, not to help individuals make a fortune. We must investigate cases of people taking advantage of loopholes in the policies to abuse their powers. [passage omitted]

At present we must pay attention to grasping ideological and political work for party member cadres. We must stress education for them in serving the people, in clean government, and in promoting unity, so that they can spontaneously shoulder our historical responsibility, struggle against all phenomena of corruption, and lead the people of the province to build the special zone well. [passage omitted]

**Hainan To Issue Visitor Passes to 'Outsiders'**  
*OW0503143089 Beijing XINHUA in English*  
1324 GMT 5 Mar 89

[Text] Haikou, March 5 (XINHUA)—The Hainan provincial government Saturday issued a nine-article regulation covering domestic visitors and non-resident businessmen.

The regulation said that outsiders must carry a pass to the Hainan special economic zone.

It says that all domestic tourists, businessmen and people wishing to visit their relatives on the island must obtain such passes beforehand.

Before the passes are issued, outsiders should show their ID cards and certificates from government departments at the county level when entering Hainan, the regulation said.

People who have been offered jobs in Hainan must also have proof of this before entering the province, the regulation said.

As for overseas Chinese, and compatriots from Taiwan, Hong Kong and Macao, as well as visitors from foreign countries, the original regulations still hold good.

Xin Yejiang, vice-governor of the province, said that the regulation aims to improve the control and management of the island's population.

But this does not mean that visitors and people who come to do business in the Hainan special economic zone are no longer welcome, he stressed.

According to the provincial public security department, about 100,000 job hunters from the rural areas of Sichuan, Hunan and Guizhou Provinces, and the Guangxi Zhuang Autonomous Region have poured into the province since early February.

**Henan Discipline Inspection Work Conference Ends**  
*HK0803092789 Zhengzhou Henan Provincial Service*  
in Mandarin 2300 GMT 7 Mar 89

[Excerpts] The provincial discipline inspection work conference, which concluded yesterday, pointed out that discipline inspection commissions must adopt the following guiding ideas for their work this year: Further implement the spirit of the 3d Plenary Session of the 13th CPC Central Committee, carry out the dual-tactics policy, concentrate efforts on party discipline, actively help party committees improve the party's work style, work hard to strengthen party building in our province, and observe strict discipline to guarantee the smooth implementation of the principle of improving the economic environment, rectifying the economic order, and deepening the reforms in an all-round way.

Lin Yinghai, a member of the provincial party committee Standing Committee and secretary of the provincial Discipline Inspection Commission, pointed out at the meeting: Strengthening party spirit and enhancing the sense of discipline must be taken as a matter of prime importance for the whole party in an effort to enforce party discipline. Discipline inspection commissions must pay special attention to education in party discipline and enhance the sense of discipline among party members. [passage omitted]

Comrade Lin Yinghai continued: In strengthening the work of fighting corruption, there are two major tasks for discipline inspection commissions. First, it is necessary to concentrate efforts on investigating some party members for their serious violations of law and discipline, and particularly the behavior of bartering power for money in party and government organizations. Meanwhile, supervision must be strengthened over party-member cadres working in supervisory departments, and it is necessary to resolutely stop the abuse of power in management, supervision, and enforcement of the law. Second, discipline inspection commissions must help party committees and government organizations establish an effective system of fighting corruption in accordance with the two-openness and one-supervision policy. Investigations and studies must be strengthened in improving the party's work style and enforcing party discipline. [passage omitted]

Referring to this year's tasks, Comrade Yinghai said that the stress of investigations must be placed on investigating economic cases. [passage omitted]

**Hubei Secretary Meets Model Grain Growers**  
*HK0603153789 Wuhan Hubei Provincial Service*  
in Mandarin 1000 GMT 4 Mar 89

[Feature by Hubei Provincial Service reporters Li Yingfeng and Xu Dingyu: "Thank You, Glorious Model Grain Sellers!"]

[Excerpts] Yesterday, the Hongshan Guesthouse in Wuhan was imbued with a joyful atmosphere. The six national model grain sellers of Hubei Province, (Liu



Boxing), (Liu Wenbao), (Li Baiqi), (Jin Weizhi), (Wang Lilun), and (Pei Nianqing), and the representatives of model grain selling counties and cities, who had just returned from Beijing after receiving prizes, attended a reception held in the guesthouse. There they met with provincial party and government leading comrades Guan Guangfu, Guo Zhenqian, Qian Yunlu, Zhang Huainian, and others to discuss the development of grain production in the province. [passage omitted]

A model grain seller said: We as big grain growers do not feel safe nowadays. Some people let their pigs, oxen, and sheep intrude onto cropland, or even pull up seedlings from other people's farmland and steal others' harvest. Local cadres just dare not offend these people but turn a blind eye to their illegal activities.

Hearing this complaint Comrade Guan Guangfu stood up and said: We must protect all those who get rich through hard work and scientific farming and who abide by the law. Our public security and judicial departments must create a stable environment for specialized households to engage in production. Of course, big grain growers on their part should try to keep on good terms with their neighbors. Turning to the model grain seller that raised the complaint Comrade Guan Guangfu asked: Do you think that will work? The model grain seller nodded his head and smiled.

Another model grain seller said he hoped the contract for grain growing could be extended to show the continuity of the policy. [passage omitted]

Having heard this suggestion Comrade Guan Guangfu replied: The holding of the right to use farm land should remain relatively stable. How should the land policy be stabilized? I suggest that a survey of the long-term performance of key specialized households be conducted and policies on land and population control be revised so as to encourage contractors to increase investment.

At that point Comrade Han Hongshu chipped in and said: Arbitrarily revising the land contract because of population growth will hinder family planning.

A model grain seller complained that cadres at the grass-roots level now indulge in lavish banquets. In some villages the expenses on banquets amount to more than 10,000 yuan a year.

Guan Guangfu said: It is necessary to straighten out the financial administration in rural areas. The financial administration must be open to public supervision. [passage omitted]

In conclusion Comrade Guan Guangfu said: We must make a breakthrough in grain output in Hubei this year and strive to raise our grain output to a record height. I hope our model grain sellers and advanced grain producing counties and cities will set a good example in this regard. [passage omitted]

### Boosting Grain Production

HK0703133689 Wuhan Hubei Provincial Service  
in Mandarin 1000 GMT 5 Mar 89

[Excerpts] During an unofficial discussion meeting held the day before yesterday to welcome six model grain sellers and the responsible comrades of six national model grain selling counties and cities of Hubei Province who had just returned from Beijing after receiving prizes, provincial party committee Secretary Guan Guangfu noted: It is necessary to create a fine production environment for big grain growers, and thus raise our province's grain output to a new height. Comrade Guan Guangfu paid warm tribute to the contributions made by model grain sellers to the state, listened with rapt attention to opinions presented by participants in the meeting, and expressed his views on some issues that they were concerned about.

(Liu Guoxing), a model grain seller from (Wuzhe) City, mentioned the jealous mentality among a small number of people in rural areas and the fact that some people even stole produce from others' fields. Comrade Guan Guangfu said: The jealous mentality may ruin the productive forces. The theft of grain is not simply an act relating to jealousy but an offense against the law. This problem must be resolved properly. [passage omitted] Stealing grain from others' fields means an infringement upon others' fruits of labor. It is absolutely forbidden under the socialist system. Grass-roots party organizations and state power organs must do something to get rid of it. First of all they should start ideological education. Anyone who violates the law shall be penalized according to the law.

Guan Guangfu said: Some people do not have a clear understanding of the pernicious influence of infringement upon big grain growers' interests. Therefore, we need to conduct more propaganda to clarify the relationship between the concept of letting a number of people get rich first and the concept of leading the masses to common prosperity. There should be no misunderstanding on the latter. Leading the masses to common prosperity does not mean unconditional contributions of the fruits of labor. We may encourage big grain growers to make more contributions to public welfare on a voluntary basis, such as donating money to build bridges and to run schools. But, at the same time, we should also protect the interests of all big specialized households. The concept of leading the masses to common prosperity basically means to play an exemplary role in the development of specialized and commercialized production and to provide information and technical services. The practice of enjoying others' fruits of labor free of charge is not allowed. Party committees, local governments, and public security organs at all levels must strive to create a fine social environment favorable to specialized households in their business operations. [passage omitted]

Some model grain sellers voiced their worries about the possibility of a change in the current policy that may lead to the recovery of contracted plots of farmland by the

collective. Comrade Guan Guangfu said: The policy certainly must be stabilized. We must pay special attention to contracts for land management signed with big grain growers, so as to encourage them to increase investments and expand their scale of production. [passage omitted]

Some participants in the meeting mentioned disorder in financial administration, misappropriation of public funds, or even corruption in some rural areas. Comrade Guan Guangfu showed great concern for this phenomenon. He said: Financial administration is an important aspect of rural government. It is necessary to make sure that public funds will be spent on public services. Some places are suffering from financial disorder. It is necessary to strengthen leadership and straighten out financial administration there. It appears that the principle of two openesses and one supervision must be practiced in rural areas as well. Otherwise, our grass-roots party organizations and state power organs will be inefficient and nothing will be done properly. As far as the selection of cadres and the lineup of leading bodies at the grass-roots level are concerned, I think we had better let people choose cadres through democratic elections. [passage omitted]

During the meeting, the representatives of several national model grain producing counties and cities, including Jingmen, Jiangling, and Zaoyang, presented their experiences in vigorously promoting grain production over the past few years. They also briefed the participants on the progress of preparations for spring farming in their areas. Comrade Guan Guangfu expressed his hope that these counties and cities will continue to devote great efforts to grain production and set a good example for other counties and cities in the province. [passage omitted]

### North Region

**Tianjin's Li Ruihuan Visits CPPCC Members**  
SK0803063189 Tianjin City Service in Mandarin  
2300 GMT 6 Mar 89

[Text] In preparing for participation in the second session of the seventh national committee of Chinese People's Political Consultative Conference [CPPCC], members of the national CPPCC Committee in Tianjin began a weekly inspection on 6 March. On the morning of 6 March, municipal leaders, including Li Ruihuan, Tan Shaowen, Nie Bichu, Liu Jinfeng, Zhang Lichang, and Fang Fang, called on the members who joined the inspections the municipal CPPCC Committee office.

### Northeast Region

**Sun Weiben Attends 2d Congress Presidium Meeting**  
SK0803063689 Harbin Heilongjiang Provincial Service  
in Mandarin 1000 GMT 7 Mar 89

[Excerpts] The second presidium meeting of the Second Session of the Seventh Heilongjiang Provincial People's Congress was held today. The meeting was presided over by Sun Weiben, executive member of the congress presidium.

The meeting participants heard a report given by Zhang Ruoxian, secretary general of the congress, on acting Governor Shao Qihui's government work report and Vice Governor Chen Yunlin's reports on the implementation of the 1988 budget, on the 1989 budget, and on the discussion of the draft national economic and social development plan. [passage omitted]

Zhao Ruoxian said: From 4 to 6 March, deputies aired their views enthusiastically with the spirit of being masters of their own affairs, and talked freely in line with the reality about the situation in reform in various localities and in improving the economic environment and rectifying the economic order, and fully affirmed last year's provincial government work. In addition, they also put forward criticism and suggestions. The whole process of discussion was prevailed with a democratic atmosphere in which all deputies participated in and discussed political affairs. They universally maintained that the national economic and social development plan mentioned in the report are in conformity with the province's reality, and that the government work report in particular is prominently imbued with a spirit of seeking truth from facts, blazing new trails, and pioneering the road of advance. [passage omitted]

After hearing the deputies' views, acting Governor Shao Qihui said: All your views, suggestions, and criticisms have given us confidence and strength. We will do our work well in accordance with your opinions. [passage omitted]

**Heilongjiang Congress Session Holds 2d Meeting**  
SK0803071689 Harbin Heilongjiang Provincial Service  
in Mandarin 1000 GMT 7 Mar 89

[Text] The second session of the Seventh Heilongjiang Provincial People's Congress held its second meeting this afternoon. The meeting heard a report given by He Shoulun, vice chairman of the provincial People's Congress Standing Committee, on the work of the provincial People's Congress Standing Committee, a report given by Tang Lanting, president of the provincial Higher People's Court, on the work of the provincial Higher People's Court, and a report given by Jia Chengwen, chief procurator of the provincial People's Procuratorate, on the work of the provincial People's Procuratorate.

Today's congress executive chairmen were Sun Weiben, Wang Jun, He Shoulun, Zhang Ruoxian, Wang Yusheng, Ji Hua, Zhao Qingjing, Du Dianwu, Shao Zhao, Wang Rensheng, Di Jiefan, (He Yonglin), Guo Yunfei, Tao Chenglin, and Zhou Xiangmin.

The meeting was presided over by Wang Jun.

The work report of the provincial People's Congress Standing Committee summarized the work since the first session in the following seven aspects:

1. Discussed and decided on major affairs around the hot spots concerning the whole situation and which the people were much concerned about.
2. Actively formulated local laws and regulations. Ten items were formulated and promulgated, and 10 local laws and regulations were adopted.
3. Strengthened legal supervision and promoted the enforcement of laws and regulations.
4. Improved the personnel appointment and removal work, and conducted the appointment and removal work more democratically and in line with the law.
5. Conscientiously handled motions, views, criticisms, and suggestions.
6. The special committees played a better role.
7. Strengthened self-cultivation and strived to build the People's Congress Standing Committee into a democratic, clean, honest, and effective state organ.

Today's congress session also adopted the electoral method of the second session of the seventh provincial People's Congress. This congress session will elect a governor, a vice chairman of the seventh provincial People's Congress Standing Committee, and four committee members through by-elections. The candidates will be nominated by the congress presidium according to the number of persons to be elected and the election will be held with the same number of candidates as the posts.

**Jilin Military District Party Congress Opens**  
SK0303083289 Changchun Jilin Provincial Service  
in Mandarin 2200 GMT 26 Feb 89

[Text] The eighth party congress of the Jilin Provincial Military District opened in Changchun on 26 February.

Leading comrades of the provincial party committee, the provincial government, and the provincial military district, including He Zhukang, Wang Zhongyu, Chen Xingyin, Yu Zonghuan, Zhou Zaikang, Zhang Baohua, Zhang Xianchen, Wei Dianli, and (Guo Xianwei), attended the congress.

Comrade Chen Xingyin gave a work report on behalf of the seventh party committee of the provincial military district. He said: Over the past 5 years, the party committees of various organs at all levels of the military district have guided the broad masses of cadres, soldiers, and workers to actively participate in reform and to rouse themselves for vigorous efforts to make the country prosperous. They fulfilled all tasks in a better manner, created a new situation in building the armed forces of the provincial military district and building our province's reserve national defense forces, carried out party rectification work in stages and groups, achieved

progress in improving the party style, and enhanced the fighting capacity of the party organizations at all levels and the quality of the ranks of party members.

In addition, they have also conducted structural reform and the reduction-in-force army reorganization in an orderly manner and conscientiously grasped the self-cultivation of the People's Armed Forces departments. A great number of promising People's Armed Forces departments and cadres have emerged.

In 1987 they conducted province-wide activities to make the people rich by urging them to study and apply science and technology and succeeded in promoting the development of the commodity economy. The broad masses of militiamen and the reserve forces completed the tasks of combating floods, dealing with emergencies, protecting and preventing forest fires, drying grain on a crash basis, and maintaining social order. They also actively conducted reform in conscription work, guaranteed the quality of the reduction-in-force reorganization work in a better manner, strengthened border defense work, maintained stability in the border areas, and greatly developed logistics work to meet the needs of building the armed forces.

Chen Xingyin stressed in conclusion: The general guidelines for the next 5 years of work are to conscientiously implement the work guidelines and principles put forward by the enlarged session of the Military Commission, grasp the key points, deepen reform, and strive to improve the building of the armed forces and the reserve national defense forces.

Comrade Zhang Baohua gave a report on the discipline inspection work of the Discipline Inspection Commission on behalf of the provincial military district's Discipline Inspection Commission.

Leaders of the departments concerned of the provincial military district attended the congress as observers.

### Northwest Region

**Shaanxi Discipline Inspection Conference Ends**  
HK0603132789 Xian Shaanxi Provincial Service  
in Mandarin 0030 GMT 5 Mar 89

[Text] The provincial discipline inspection conference, which lasted for 5 days, ended yesterday. During the conference it was mentioned that the major discipline inspection tasks for this and the coming years centered on promoting honest administration, improving party discipline, resolutely investigating and handling cases inside the party in violation of discipline, realistically improving the self-discipline of supervisors and discipline inspection teams within the party, and strengthening education on party discipline. The aim of the conference was to make an overall arrangement for the strengthening of discipline inspection during this and the coming years. Participants were notified of the spirit of



the National Discipline Inspection Conference and the Forum on Establishing a System With Regard to Honest Administration at the conference. Comrade (Lu Huanzhen) delivered a report on behalf of the provincial discipline inspection committee. The conference focused on discussing the building of party spirit and discipline centering on developing honest administration during improvement and rectification. Representatives from 13 units also aired their experiences at the conference. Provincial party secretary Zhang Boxing, and party leaders Dong Jichang and Xu Shanlin spoke at the meeting about the improvement in honest administration and strengthening party spirit and discipline. Comrade Zhang Boxing pointed out in his speech that we should handle the strengthening of party spirit and discipline, anti-corruption, and promoting building an honest administration seriously, to guarantee the successful implementation of improvement and rectification. He said: The building of honest administration is a synthetic consolidation project that needs to mobilize the strength of all sectors in fighting together and we have to employ coordinated legal, executive, systematic, disciplinary, and educational means. At present, we have to pay special attention to handling two problems: The building of systems, and the investigation and handling of cases. Regarding the building of systems, we have to develop party spirit and discipline, government spirit and discipline, and the responsibility system for honest administration by building the business responsibility

system. In future, when we assess the performance of a particular level of party committee or government, we have to look at the economic development situation. We also have to see whether it has corrected the party and government spirit and whether it has achieved honest administration. When assessing the performance of leading cadres we have to consider their honesty in performing their duties and the work in dealing with honest administration in the places and units under their leadership. Zhang Boxing said that we have to continue grasping the investigation and handling of cases in violation of discipline and law. At present, all places should concentrate on investigating and handling important cases which have great influence and potential damages in the respective region, impose harsh punishment on criminals who have earned the great and bitter hatred of the people, encourage the broad masses of cadres and people to strengthen their confidence in fighting against all kinds of activities in violation of law and discipline, and promote the complete building of honest administration. At the same time, we should link the strengthening of education on the party's goals with the building of systems, self-discipline with serious investigation and handling of cases, and impropriety through misinterpretation. Through promotion of ideological work we can form a trend toward honesty and a new social trend. Only in this way can we consolidate the fruits of honest administration and enhance the improvement of party spirit and social trends.

**Zheng Tuobin Grants Interview to Taiwan Paper**  
*OW0803112389 Shanghai Voice of Pujiang*  
*in Mandarin to Taiwan 1000 GMT 1 Mar 89*

[By reporter Zhao Li]

[Text] Zheng Tuobin, Chinese minister of foreign economic relations and trade, granted an interview to a reporter of Taiwan's GONGSHANG SHIBAO [Industry and Commerce Times] during a visit to the 1989 Shanghai foreign trade negotiations meeting today. He discussed with the Taiwan reporter his views regarding the development of trade between the two sides of the Taiwan Strait.

According to Minister Zheng Tuobin, last year saw a turning point in the development of economic relations and trade between the two sides of the Strait. This is reflected, on the one hand, mainly in the Taiwan authorities' relaxation of restrictions on the importation of goods from the mainland and, on the other, in the large number of entrepreneurs from Taiwan who have successfully invested in the mainland.

However, Mr Zheng Tuobin added, there are shortcomings in two areas: First, investment by kinsmen from Taiwan has involved mainly small- and medium-sized projects. He invited enterprises with great potential in Taiwan to invest in big projects in the mainland. Second, most trade is conducted indirectly. He expressed the hope that business and industrial circles in Taiwan will push for direct trade with the mainland this year.

The minister confirmed to the reporter that the Minister of Foreign Economic Relations and Trade has established a Taiwan trade department to take charge of managing and developing economic relations and trade between the two sides of the Strait.

**Taiwan Ship Seized for Smuggling**  
*HK0703023189 Beijing ZHONGGUO XINWEN SHE*  
*in Chinese 1416 GMT 6 Mar 89*

[Report: "Taiwan Smuggling Ship Kuang-ta No 2 Is Seized in Zhuhai"—ZHONGGUO XINWEN SHE headline]

[Text] Zhuhai, 6 Mar (ZHONGGUO XINWEN SHE)—A customs official in Gongbei announced today, that a customs' antimuggling patrol boat seized a Taiwan cargo ship, which was engaging in smuggling a great quantity of imported cigarettes, near Dangan Island, Zhuhai at 0120 on 3 March.

The Taiwan cargo ship, known as "Kuang-ta No 2," carried 500 tons of porcelain clay and the same amount of scrap iron and steel in its hold; on the deck were stacked 4,700 boxes of smuggled cigarettes which were to be transferred on the way from Hong Kong to Taiwan for the approximate amount of 10 million yuan.

The investigation conducted by customs indicates that the "Kuang-ta No 2" was engaged in smuggling cigarettes into the mainland many times last year. The "Kent," "555," and "Mild Seven" cigarettes the ship carried this time were due to be transferred to a number of ships, which would come as arranged, on the way from Hong Kong to Taiwan.

The news media in Hong Kong and Macao have covered this incident. But a customs official from the Gongbei customs said some reports do not conform to the facts. The Zhuhai authorities called an emergency press conference today in the hope that the news media here would straighten things out.

The case is now under examination.

**Self-Government League Marks 28 Feb Uprising**  
*OW0803100389 Beijing Domestic Service in Mandarin*  
*1030 GMT 28 Feb 89*

[Text] The Taiwan Democratic Self-Government League held an academic symposium in Beijing this morning to commemorate the 42d anniversary of the 28 February Uprising in Taiwan.

Cai Zimin, chairman of the Central Presidium of the Taiwan Democratic Self-Government League, presided over the symposium. He said: The 28 February Uprising was an inevitable result of the Kuomintang's autocratic, dictatorial, and corrupt rule. For many years, compatriots on the mainland have commemorated the anniversary of the uprising, and denounced the Kuomintang authorities for their crime of suppressing the uprising. They have the support of people of all walks of life on the mainland.

When we observed the 40th anniversary of the 28 February Uprising, people on Taiwan held their first commemoration meeting despite prevailing prohibitions. They demanded that the Kuomintang publish the truth about the uprising and redress injustices. However, the Kuomintang authorities have remained unmoved, refused to admit their mistakes, and even continued to distort history and deceive the public.

Cai Zimin said: It is necessary to correctly handle the history of the 28 February Uprising, develop democracy and justice for the people of Taiwan, and eliminate the estrangement between natives of Taiwan Province and people from other provinces. Only then can we carve out a future and ensure wholesome development of Taiwan society.

Wu Ketai, Lin Liyun, (Jiang Nong), (Ye Jidong), (Yang Weili), Xu Mengshan, and other leaders of the Taiwan Democratic Self-Government League and the All-China Federation of Taiwan Compatriots as well as other scholars spoke at the meeting. They reviewed history, presented the truth about the Kuomintang authorities' suppression of the 28 February Uprising, and analyzed

the causes of the uprising. They urged the Taiwan authorities to respect the desire of the people on Taiwan, and redress the 28 February Uprising so as to heal the wounds, which have been left open for more than 40 years, as soon as possible.

They said: In the wake of the more relaxed situation and more frequent exchanges across the strait, we hope that the Taiwan authorities will draw a lesson from history, go along with the trend of reunifying the motherland, respect the popular sentiment across the strait, and make the wise choice of reunifying the motherland at an early date.

**Taiwan Law Institute Inaugurated in Beijing**  
*OW0803105189 Shanghai Voice of Pujiang*  
*in Mandarin to Taiwan 1000 GMT 2 Mar 89*

[Text] According to the XINHUA news agency, a research institute for studying Taiwan laws was inaugurated in Beijing on Monday. The institute, set up by experts and scholars in Beijing on a voluntary basis, will for the time concentrate on studying Taiwan's civil and commercial laws, issue publications on an irregular basis, sponsor academic seminars, and offer legal and other services to compatriots on the two sides of the strait. This private institute is composed of six lawyers and nine judicial scholars.

**Commentary on Taiwan's Investment Environment**  
*OW0803003189 Beijing in Mandarin to Taiwan*  
*1500 GMT 13 Feb 89*

[Station commentator's article: "Labor and Environmental Protection Issues Cause Taiwan's Investment Environment to Worsen"]

[Text] Recently, Taiwan's worsening investment environment was at the center of discussion in every newspaper. On 30 January, Wang Yung-Ching, general manager of Taiwan's biggest private enterprise—the Taisu Enterprises Group, confirmed that the group had decided to stop all extension or new investment projects in Taiwan and freeze all hiring of personnel, meaning shrinkage, not expansion in future, and whenever a personnel shortage occurs, the group can always solve it by closing down the enterprise affected. In addition to Taisu, many of the island's largest electrical appliance companies, such as Tatung and Sheng-pao, and the Hsingkuang Textile Company are all freezing the hiring of personnel and cutting workers. Many large enterprises are making plans to shift investment overseas. Due to the worsening investment environment, some foreign businessmen are forced to cancel many invest-in-Taiwan projects.

There are a variety of reasons for the deterioration in Taiwan's investment environment. Taiwan's uncertain political future has long been the major reason for people's lack of interest in investment. The problems emerging more recently concern the increasingly serious employee-employer conflicts and environmental protection issue. In recent years, labor disputes have frequently emerged.

Renumeration is the focus of these disputes. Taiwan claims that it has joined the ranks of the world's developed nations. Nevertheless, the average monthly wage of its manufacturing workers last year was less than one-third of that of their U.S. counterparts, and was only two-thirds of their Singapore counterparts. There were labor strikes last year, as well as this, before the Spring Festival. The workers, calling for increased year-end money award and bonuses, overtime pay to be paid retrospectively, and changes in wage structure, were simply fighting for their own economic benefit. This year, before the Spring Festival, the workers' union of the Taida Chemical Company's Linyuan plant in Kaohsiung requested the company issue every one of its employees with a year-end bonus of NT\$1.2 million. The request touched off an employee-employer confrontation. The strain on relations between the workers and the company verged on a dangerous level. With economic development, the environmental protection issue has become increasingly serious. People can no longer tolerate the damage done to their living environment and the time has come for them to stand up to fight against it. Two years ago, the Dupont incident in Lugang lifted the curtain on Taiwan's environmental protection movement. The strike occurring in the Linyuan Industrial Zone last year shook the whole island. If not for long-accumulated grievances, the unsophisticated villagers could not have united swiftly and staged such a fight. The Linyuan incident is only the tip of the iceberg. The contradiction may grow even sharper, as increasing industrial pollution causes the living environment to deteriorate and the people, their incomes rising, set higher demands on the conditions of their living environment.

Often taking a position aimed at safeguarding industrial development, Taiwan authorities have been ineffective in dealing with pollution. Thus, the contradiction may become even more serious. People's growing environmental awareness is an important reason for investors' wish to shift investments overseas.

Under the pressure of U.S. protectionism and the appreciation of the new Taiwan dollar, Taiwan's medium- and small-sized enterprises have been seeking opportunities overseas in recent years. Now, even a leading large enterprise like Taisu finds it difficult to gain a foothold in the island, due to the deteriorated investment environment and, therefore, is prepared to focus its development overseas. It is obvious that Taiwan's economic future has run against a red light. The so-called economic transformation to a higher level is not something to be optimistic about.

**Taiwan Policy on Visiting Mainland Examined**  
*OW0703071189 Beijing in Mandarin to Taiwan*  
*0205 GMT 21 Feb 89*

[From the "Rambling Talk on Current Events" program]

[Text] Dear listeners: Since the Taiwan authorities opened the door on the island which had been closed for some 40 years, people have surged across the strait to visit their



relatives on the mainland. Due to decades of separation, Taiwan compatriots visiting relatives on the mainland feel as if they are in a different world, because things have changed completely. Everything seems unfamiliar to them, such as the unfamiliar scenes, people, farms, and roads, making it difficult for them to move around.

The mainland has set up special reception centers everywhere to serve Taiwan compatriots visiting relatives and sightseeing on the mainland, so that they can be reunited with their families as soon as possible. Taiwan compatriots receive a warm reception wherever they go. Special treatment in food, housing, and transportation have benefitted many Taiwan compatriots visiting relatives here and alleviated many of their worries.

However, these efforts to solve the problems and alleviate the worries of Taiwan compatriots visiting relatives here have been reproached. The television series "Talk About Family Visits With Mingled Feelings" aired by Taiwan's Chinese Television Service considers the services offered by mainland compatriots to Taiwan compatriots on family visits to be a behind the scenes united front tactic, and warns Taiwan compatriots about the Chinese communists' united front ploy. Miss (Li Yanqiu), host of the program, even solemnly urged the mainland side not to include as part of the united front the reception for Taiwan compatriots visiting relatives on the mainland, saying that affection should be left as it is.

Dear listeners: Leaving affection as it is—that is well said, Miss (Li Yanqiu). All services by mainland compatriots to Taiwan compatriots visiting relatives on the mainland are precisely offered out of affection, which shows the profundity of our blood relations. Some examples are carrying luggage for visiting Taiwan compatriots when they board or alight from vehicles and boats, renting cars for them so they can return to their hometowns as soon as possible, locating family members of visiting Taiwan compatriots, solving urgent problems of visiting Taiwan compatriots and their family members, and so on. Are these not indications of affection?

I wonder why Miss (Li Yanqiu) linked these things to the united front. She might have picked up the idea along the way. If she or her coworkers would personally travel to the mainland to acquire a more practical understanding of events on the mainland and eliminate some of the hearsay, they will probably come to a correct conclusion.

Mr (Jiang Mu), a Taiwan journalist who has returned to his hometown for family visit, has said: The united front against Taiwan compatriots is nothing more than widening the scope of services and helping to solve practical problems. What is so obnoxious about this? Mr (Jiang Mu) has drawn on his personal experience to annotate the united front. From his annotation, we can not derive the conclusion of a ploy described by Miss (Li Yanqiu). These are simply indications of affection.

Dear listeners: It is precisely the Taiwan authorities, rather than the mainland compatriots, who refuse to leave affection as it is, and who give it a political twist. Removing man-made barriers, ending the estrangement which has lasted for decades, allowing friends and relatives across the strait to visit one another, and reuniting separated families are all indications of affection and human relations. After being urged repeatedly, the Taiwan authorities have finally allowed the public to visit relatives on the mainland, but not without restrictions. For instance, they allow the Taiwan compatriots to go to the mainland while barring mainland compatriots from going to Taiwan. This is not affection. The people had hoped that the Taiwan authorities would allow mutual visits of relatives. After much longing, they finally saw the Taiwan authorities open up a crack in the closed door by allowing mainland compatriots to visit sick relatives and attend funerals on Taiwan. But there are even more restrictions. This applies only to those with direct blood relations. This notwithstanding, the most puzzling requirement is that CPC members are barred from entering Taiwan. The director of Taiwan's Bureau of Entry and Exit even said that CPC members found to have entered Taiwan will be turned over to the judicial organs for prosecution according to the law. Just because a person has joined a party, he is deprived from visiting sick relatives and attending funerals on Taiwan. Is this leaving affection as it is?

On the contrary, the mainland side has never imposed any restrictions on Taiwan compatriots visiting relatives on the mainland. Regardless of which party or group they belong to, they are warmly welcomed as long as they have come to visit relatives or do sightseeing.

Human beings have affection and principles that govern their relations, which transcend politics. Therefore, it is the most humanitarian act to leave affection as it is. As the call for leaving affection as it is, made by the television series "Talk About Family Visits With Mingled Feelings" of Taiwan's Chinese Television Service, was still ringing in people's ears, the Taiwan authorities stepped forward to oppose it. Wasn't this embarrassing to Miss (Li Yanqiu) and her coworkers?

Dear listeners: The Taiwan authorities have been questioned by the mass media on Taiwan for refusing to leave affection as it is. Taiwan's Association for Promoting Homecoming Rights has issued a statement saying that if the Taiwan authorities' regulations are followed, less than 1 per 1000 among the more than 29,000 Taiwan compatriots who have stayed on the mainland are entitled to the humanitarian treatment. Therefore, the regulations are void of substance. It also noted that the authorities concerned have thus exposed their own shortcomings.

Legislator Mr (Lin Yuxiang) has submitted a written statement questioning the authorities concerned for excluding CPC members from mainland compatriots who are allowed to visit sick relatives or attend funerals

on Taiwan. He said: This is tantamount to removing the possibility of the 40 million CPC members contacting and befriending us. This inappropriate requirement should be revised.

Despite strong popular discontent, the Taiwan authorities still doggedly cling to what they are doing. According to Taiwan's LIAN HE BAO, in answering a legislator's interpellation, a senior official of Taiwan's Executive Yuan said: It is an established policy of the government to forbid mainland compatriots who are CPC members from visiting sick relatives and attending funerals on

Taiwan. There is little room for relaxation of this policy. So we see that due to political prejudice, the Taiwan authorities have lost their reason, and have completely ignored the need to leave affection as it is.

In my opinion, if the Taiwan authorities could dispel their political prejudice as soon as possible, truly leave affection as it is, and lift the restrictions on CPC members wishing to visit sick relatives and attend funerals on Taiwan, the Taiwan authorities will again be welcomed by compatriots on both sides of the strait, just as they were when they lifted the ban on the people's visits to the mainland.

### Taiwan

**CHUNG YANG JIH PAO on Bush's PRC Visit**  
*OW0603120289 Taipei CHUNG YANG JIH PAO*  
*in Chinese 28 Feb 89 p 1*

[Editorial: "Bush's Regrets"]

[Text] U.S. President Bush left Peiping at 0745 on 27 February, winding up his 40-hour visit. What was strange was that Bush, who had repeatedly stressed at a news conference in Tokyo 2 hours prior to his departure that he was "very excited about going to Peiping" and that "relations with 'China' are very important," was received by the Chinese Communists with a coldness that was almost insulting. The highest official who greeted and saw him off at the airport was Wu Hsueh-chien [Wu Xueqian], a mere "vice premier." This was very unusual, for welcoming ceremonies for heads of state of certain small African nations have not been so cold or cheerless.

The foremost reason why the Chinese Communists gave Bush the cold shoulder was because the new U.S. Administration stated repeatedly that its policy toward China would remain unchanged. This dashed the Chinese Communists' fond dreams of persuading the United States into acting as a mediator. Of late, the U.S. Government has, through various channels, reiterated its determination to stick to the Taiwan Relations Act and made it clear that its current commitments to our security and arms sales as well as its basic stand that problems of the people on the two sides of the Strait should be solved by the people themselves will remain unchanged. Clark, U.S. assistant secretary of state for East Asian and Pacific affairs, publicly reiterated such a stand last week. After failing in their efforts over the past year and a half to force us to open postal, trade, and navigational ties and begin cultural, academic, and sports exchanges through such united front ploys as visiting relatives and harassing fishing boats, asking the Bush government to interfere and exert pressure on us could be said to be the "last hope" of the old, dying leaders of the Chinese Communists to convey the "sense of urgency of reunification." They will be sorely disappointed if their wishes are dashed.

The second reason why the Chinese Communists gave Bush the cold treatment was that Bush said at the Tokyo news conference that the United States was concerned about human rights on the mainland. U.S. Congress and public opinion in the United States reminded Bush in more ways than one that he must express the U.S. concern for human rights on the mainland in general and in Tibet in particular. The letter signed jointly by 33 scholars on the mainland calling on the "supreme leaders" to respect human rights and release those innocent people including Wei Ching-sheng who have long been subject to political persecution at the hands of the Chinese Communists has drawn worldwide support. At a moment when the Chinese Communists were extremely

embarrassed and were at a loss as to what to do, President Bush's talk of "concern," his invitation to noted human rights fighter Fang Li-chih [Lizhi] to attend his return banquet, and the fact that he was to be seated right in front of him, were, no doubt, like pouring oil on the fire. This proves that Bush takes public opinion in the United States very seriously and the China experts around him, in comparison with those around Nixon and Carter who offered only lousy ideas, know better what Chinese and Chinese intellectuals want. Flying into a rage from shame, the Chinese Communists simply resorted to kidnapping to separate Mr and Mrs Fang Li-chih from the Americans escorting them to the banquet. When Bush was told this later, all he could do was to express his dissatisfaction with the word "regrets" and to instruct U.S. Ambassador Lord to inquire about the details of the incident from the "relevant authorities" of the Chinese Communists.

The third reason why Bush was treated coldly was that he declared to the Soviet Union that his visit would not affect the progress of "normalization" between Chinese and Soviet Communists. Bush announced at a White House news conference that he was not visiting Peiping "to go one up on Gorbachev" and that the visit would not be "detrimental to anybody else's interests." This was, however, nothing but "diplomatic rhetoric." On the other hand, the Chinese Communists wanted to show with concrete actions that the "homecoming" Bush was stressing enthusiastically and repeatedly would not weaken the "fraternal and comradely relationship" which was soon to be restored between the Chinese and Soviet Communists. The bonds of roughly identical Marxist-Leninist ideology shared by the Chinese and Soviet Communists are much stronger than the economic lure capitalism can offer. This is a question that merits profound attention. On the other hand, we can gain a great deal of enlightenment from Bush's visit. Chinese Communist "Premier" Li Peng, who talked with Bush for 2 hours, said at the very beginning of their talks that "we attach particular importance to the Taiwan issue" and that "a few Americans are attempting to influence China's policies on this issue or that and interfere in China's internal affairs, casting a shadow on the existing friendly relations between the two sides." Bush said: "The U.S. Government will stick to the 'one China' policy and continue to abide by the principles set forth in the three joint communiques." Bush's reply not only shattered the Chinese Communists' attempt of luring the United States into exerting pressure on us to begin "talks on reunification" but also nipped their scheme of "publicly opposing but covertly supporting" the splittists advocating "Taiwan independence." Over the past few years, the phrase "the Taiwan issue is an obstacle to Sino-U.S. friendship" has been a "pet diplomatic phrase" of the Chinese Communists. The answer Bush gave them was a very clever one.

Another point worth attention were Chao Tzu-yang's [Zhao Ziyang's] "harsh words." In his meeting with Bush in the afternoon of 26 February, Chao Tzu-yang bluntly



warned the United States "not to interfere in China's internal affairs." Chao Tzu-yang said that importing the Western multiparty system or parliamentary politics to the mainland means "disregarding our national conditions; such a system will get nowhere on the mainland." He declared seriously: "China will neither export its own system to other countries nor copy the system of any other country. The real motive force pushing forward China's reform are methods that 'conform to China's national conditions'; only the 'Chinese Government' and people are capable of doing so." These remarks have gone to extremes in confounding black and white. Marxist-Leninist Communism is a unadulterated heretical and decadent school of thought of Western civilization. How could it conform to China's national conditions? These remarks only prove that high-ranking Chinese Communist cadres, in order to protect their vested interests, will stick to the "four upholds" that have brought only poverty and backwardness to China in the end.

Therefore, we can learn the following two points from Bush's visit to Peiping:

First, it is absolutely useless to expect democratic reform from the Chinese Communists. Bush was casting pearls before swine when he told Li Peng that economic reform should be preceded by political reform. Chao Tzu-yang once said that the mainland intellectuals' call for democracy will "turn back the wheel of history, create chaos, and result in very serious consequences." Li and Chao represent the common attitude of all Communists on wiping out democracy.

Second, the "common interests" of the Chinese and Soviet Communists will certainly have precedence over the "interests of coexistence" between Communist regimes and free nations. Bush said at the news conference that continued efforts should be made to lift the ban on the export of high technology to the Chinese Communists. We would like to advise the free world that once it allows the Chinese and Soviet Communists put into practice the good policy of "brothers quarreling at home join forces against attacks from without," it will regret what it has done.

We would like to tell Mr Bush that by treating him coldly, the Chinese Communists leaders were trying hard to make themselves appear composed. They were like a seriously ill patient pretending to be healthy. If Bush knew the anxieties of Teng Hsiao-ping [Deng Xiaoping] and the like, he would say: That's how it is.

**CHINA POST on 'Fang Lizhi Incident'**  
OW0803134289 Taipei CHINA POST in English  
2 Mar 89 p 4

[Editorial: "Peking Rolls Out 'Red' Carpet for Bush"—Taipei CHINA POST headline]

[Text] President George Bush's visit to the Chinese mainland was, from the beginning, a sentimental journey of nostalgia which was not expected to achieve any substantial results.

The Fang Li-Chih [Lizhi] incident, however, in which the famous astrophysicist and human rights activist was prevented by the Chinese Communist police from attending President Bush's farewell banquet, has transformed President Bush's official visit to the Chinese mainland into an unexpected confrontation between the United States and the dictatorial Peking regime.

The incident was the result of a blunder on the part of the Chinese Communists who presumed that if Fang was prevented from talking to President Bush, then his grievances could not be presented and thus no harm would occur. They did not anticipate that in preventing Fang and his wife from entering the banquet hall, the "comrades" have made the Fangs the "couple of the week." The story was extremely newsworthy and the Fangs received a degree of press coverage that they could not have expected to gain otherwise.

At the same time, Peking's bungle gave President Bush a first-hand experience of police state tactics applied to two of his invited guests who carried and showed police their presidential invitation cards. The police chose to ignore the invitations and persisted in claiming that their names were not on the guest list that they had. It was certainly a slap in Bush's face and a grievous insult to the White House and all American people.

President Bush naturally had good reasons to be upset and annoyed as he told "Deputy Prime Minister" Wu Hsueh-chien [Wu Xueqian] about the incident, expressing his displeasure. He also ordered the U.S. ambassador to Peking, Winston Lord, to investigate and get an explanation from the Chinese Communists about the incident.

If the Chinese Communists were clever, they would have made apologies to the United States right away and concluded the incident. The Chinese Communists handle their foreign affairs much as they do their internal affairs, however. They merely promised Ambassador Lord that they would investigate the incident. Meanwhile, Peking blamed Bush for having invited the Fangs to the banquet without its clearance, even though all arrangements were made with prior agreement from both sides.

The Fang episode has also touched U.S. human rights defenders in and out of the U.S. Congress who are reported to be starting a movement to block U.S. arms sales to Peking until the regime improves its human rights record. Such a move would effectively counteract the U.S. State Department's soft attitude toward Peking and its tolerance of the Chinese Communist's human rights violations.

Moreover, the Fang incident has offset whatever positive achievements President Bush may have made in discussing serious subjects with the Chinese Communists. In any case, it is evident that President Bush did not make much progress with the Chinese Communists. All public

statements were simply a reiteration of past achievements and the present mutual understanding. There may well have been secret discussions and understandings, though they have yet to be revealed.

Perhaps President Bush was disappointed at the "red" carpet treatment he received during his visit. He should also have been offended by Chao Tzu-yang's [Zhao Ziyang's] blunt words in discussions on the dissident situation. It is hoped that he learned a lesson from the rude Chinese Communist behavior experienced by both him and his guests.

**CNA Comments on Mainland-U.S.-USSR Ties**  
*OW0303131689 Taipei CNA in English 0406 GMT*  
3 Mar 89

["Commentary: Peiping Playing 'Russian Card' to U.S."—CNA headline]

[Text] Washington, March 2 (CNA)—Following is a news commentary contributed by CNA Washington Bureau Chief Leng Jo-shui.

Whether the Bush administration realizes it or not, the Peiping regime is playing the "Russian card" to the United States.

This should explain the high-profile approach by the Chinese Communists to U.S. expression of concern for the human rights on the Chinese mainland in general, and the Fang Lizhi [name as received] incident in particular.

According to news reports from Peiping, the Chinese Communist "Foreign Ministry" issued another statement Wednesday to denounce President George Bush over the Fang Lizhi incident. This was the second hostile statement by the Peiping regime toward the United States after the Bush visit.

In the first statement, issued last Monday, the Chinese Communists blamed the United States for the Fang Lizhi incident, claiming that the incident could have been avoided if the United States had consulted the guest list to the Bush banquet in advance with the Chinese Communists. The Bush administration responded to this criticism by saying that the President "can invite anyone he wants to a banquet."

This explanation by the Bush White House caused the Peiping regime to issue another rebuttal Wednesday to criticize the White House statement as "irresponsible." The second Peiping criticism called Bush's invitation to the dissidents as amounting to "imposing one's will" on others which "can only be interpreted as support to this kind of individual and disregard for the host country."

Why did the Peiping regime choose to take such a hard-line and high-profile approach to the incident? Domestically, it is obvious that the Communist leaders

are worried that the Fang Lizhi incident might have an encouraging effect on other dissidents. The two statements by the "Foreign Ministry" were as much a criticism of the United States as a warning to other dissidents.

In terms of its relations with the United States, the two hostile statements by the Peiping regime may come as a surprise to some people who have heard Peiping leaders and Bush calling each other "old friends" because of Bush's experience as chief of the U.S. Liaison Office in Peiping 15 years ago. Two statements of criticism against Bush in 3 days immediately after his departure certainly cannot be interpreted as a proper way to treat an old friend.

The decision to issue these two statements reflects a belief by the Communist leaders that the Bush administration would tolerate such criticism because it would not want to jeopardize the relationship with Peiping at a time when Moscow and Peiping are prepared to improve their relations.

When the Bush trip to Peiping was first announced, the American press interpreted it as Peiping's effort to pre-empt the summit between Soviet leader Mikhail Gorbachev and Teng Hsiao-ping next May.

President Bush, however, denied it, noting that the purpose of the trip was to enhance the relationship between Washington and Peiping, which stands on its own.

Bush also said that the days of playing the China card were over.

Despite Bush's protestation, Peiping's relationship with Moscow was the focal point of discussion between Bush and Peiping leaders during his visit. According to White House spokesman Marlin Fitzwater, Bush spent almost all the time in his meeting with Teng Hsiao-ping on Moscow-Peiping relations.

In a statement upon his return to Washington, Bush also cited as a result of the trip his agreement with Chinese Communist leaders that the Soviets must be judged "not by their rhetoric but by their actions." He expressed satisfaction that "China approaches its thaw with the Soviets with caution and realism."

Based on these statements, it would not be a surprise that the Peiping leaders got the impression from the meetings with Bush that the United States still looks at them in the context of U.S.-Soviet relations. Reinforcing the impression is Bush's appointment of Brent Scowcroft as his national security adviser and Lawrence Eagleburger as deputy secretary of state. Both Scowcroft and Eagleburger once worked for former Secretary of State Henry A. Kissinger and subscribe to Kissinger's view of geopolitics and balance of power.

Based on this impression the Peiping regime could afford to believe that its improved relations with the Soviet Union would give it more leeway in dealing with the United States. In other words, the Peiping regime now has a "Russian card" to play to the United States.

In his report from Peiping during the Bush trip, CBS reporter Dan Rather said that the Chinese Communists were playing the "Russian card" by noting Soviet sales of high technology to them and urging the Americans to compete with the Soviets for the market.

The escalation of its "war of words with the United States," as the BALTIMORE SUN called it, over the Fang Lizhi incident can only be explained in this context.

The question for the United States is whether it should view Peiping primarily in the context of its relations with the Soviet Union, and, more importantly, whether it should give Peiping the impression that it views Peiping in that context.

Of course, given the geopolitical situation there is undeniably a strategic element in U.S. relations with the Peiping regime. But giving strategic consideration a primary role in U.S. relations with Peiping would keep the United States hostage to every movement between Moscow and Peiping.

President Bush maintains that the Washington-Peiping relationship stands on its own. If he truly believes so, he should approach the relationship on its own merit—working with Peiping where there are common interests, but not hesitant to criticize Peiping where there are differences, such as on the human rights issue and Chinese Communist sales of missiles to the Middle East.

Unless Bush plays down the strategic element, and convinces Peiping that he really means to maintain the Washington-Peiping on its own merits, there will be more public criticism of the United States from Peiping, and more pressures from Peiping to yield to its concessions over a variety of issues.

**Premier Yu Cited on Mainland Democratization**  
OW0403042489 Taipei CNA in English 0240 GMT  
4 Mar 89

[Text] Taipei, March 4 (CNA)—Premier Yu Kuo-hua said Friday that promoting the democratization of the Communist-controlled Chinese mainland is a mid-range goal of the Government's mainland policy.

Replying to a question by Kuomintang Legislator Liao Fu-pen, Yu said the short-range goal of mainland policy is "spreading the Taiwan experience" among civilians.

Steps to be taken to accomplish that goal include promoting people-to-people understanding across the Taiwan Strait and achieving a consensus on democracy, the equitable distribution of wealth and national unification, he told a Legislative Yuan session.

The long-range goal of the ROC's [Republic of China's] policy towards the mainland, from which it withdrew 4 decades ago, is unifying the country under Dr. Sun Yat-sen's Three Principles of the People, the premier said.

Dr. Sun, the country's founding father, taught that nationalism, democracy, and social welfare should be the basic principles for building the nation.

Premier Yu said that in implementing the mainland policy, the "Chinese Communists" should be distinguished from the "Chinese people" and the "Chinese Communist regime" from "China".

The Government already has a far-sighted blueprint to help mainland compatriots in their fight for freedom, democracy, and human rights, he claimed.

He said the Government has constantly reviewed its mainland policy because "we must take into consideration any responses from the Communist regime in Peiping."

For instance, he said, Peiping has never given up its "four cardinal principles" and has continued to try to unify Taiwan through its "one country, two systems" formula ever since the Government ended restrictions on family visits to the mainland.

The four cardinal principles refer to Peiping's insistence on the socialist policy line, the proletariat dictatorship, Marxism-Leninism and Maoist thought and Communist Party leadership.

Moreover, Yu added, in spite of the ROC's open-door policy toward the mainland, Peiping has said it would never renounce the use of arms against Taiwan.

What is worse, he said, Chinese Communist attempts to isolate the ROC in the international community have become even more coercive.

Therefore, he concluded, "We must consolidate our psychological defenses and strengthen our military preparedness" to ensure the safety of this bastion of national recovery.

**Foreign Trade Official Cited on Mideast Trade**  
OW0203093289 Taipei CNA in English  
1604 GMT 1 Mar 89

[Text] Taipei, March 1 (CNA)—Because of the slow growth in the nation's 1988 trade with the Middle East, the Board of Foreign Trade (BOFT) will implement in



fiscal 1990 an ROC[Republic of China]-Middle East trade development project in order to strengthen bilateral trade relations, a BOFT source reported Wednesday.

BOFT will energetically help local manufacturers expand export channels by participating in the Baghdad trade show, the Dubai textile and garment exhibition, the Tehran international trade exhibition, the Izmir trade show, the Jeddah international trade show and the Bahrain international fair, the BOFT source said.

The source added that BOFT will organize three Mideast trade missions to visit Iran, Dubai, Iraq, Kuwait, Saudi Arabia, Syria, North Yemen and South Yemen, where trade shows will also be sponsored.

In addition, the government will establish distribution centers in the Middle East area and help local manufacturers set up promotion organizations as part of its efforts to develop ROC-Middle East trade.

**Trade Official Leaves for Meeting in Europe**  
*OW0403123489 Taipei CNA in English*  
1028 GMT 4 Mar 89

[Text] Taipei, March 4 (CNA)—Dr. Chiang Ping-kun, director-general of the Board of Foreign Trade (BOFT), left for Europe Saturday to attend a meeting among ROC [Republic of China] commercial representatives stationed in European countries.

The gathering in Europe—Europe is now the Republic of China's second largest export market—is slated for March 9 in West Germany.

High on the BOFT director's agenda will be discussions of programs to further promote economic and trade relations with Europe and strategies to get ready for active participation in the unified European market after 1992.

The meeting will be held at the newly established Taiwan Trade Service Center in Duesseldorf. The center is intended to help domestic businessmen penetrate the European market.

Two-way trade between the Republic of China and Europe totaled an unprecedented nearly U.S. dls [dollars] 18 billion last year, registering 36 percent annual growth. The increase was larger than those recorded between the ROC and North America or the rest of Asia.

**Fishery Talks With Philippines Stalled**  
*OW0403034789 Taipei CNA in English 0256 GMT*  
4 Mar 89

[Text] Kaohsiung, southern Taiwan, March 4 (CNA)—The attempt by the Kaohsiung Fishermen Association to cooperate in fishery affairs with the Philippines failed to make any progress in talks with Philippine fishery authorities, Tsai Ting-pan, chairman of the association said Friday.

Tsai led a Republic of China [ROC] delegation to attend an ROC-Filipino economic promotion conference in Manila late last month. He said he had tried to exchange views on the possibility of fishery cooperation between the two countries, but he came away without any positive results.

Because of the Philippines' adoption of severe judicial restrictions to protect its own fishing interests and some technical and commercial problems, it is now very difficult for them to initiate fishery cooperation with a neighboring country, Tsai said.

**Dominican General Arrives for Visit**  
*OW0503182789 Taipei CNA in English 1515 GMT*  
5 Mar 89

[Text] Taipei, March 5 (CNA)—Vice National Defense Minister Lt. Gen. A. Fernandez of the Dominican Republic, accompanied by his wife, flew into Taipei Sunday for a weeklong visit.

Gen. Fernandez told CNA upon his arrival at Chiang Kai-Shek International Airport in northern Taiwan that even though the Republic of China and the Dominican Republic are separated by a long distance, the two nations share the common and lofty ideal of democracy and freedom.

Although he has learned of the economic prosperity and progress of the Republic of China from various news media, he said that he has long wanted to verify the reports himself. He also hoped that various cooperation between the two countries can be further strengthened.

While here, Gen. Fernandez will call on government and military leaders and visit military installations before leaving on March 12.

**Premier Yu Reports to Legislative Yuan**  
*OW0103174589 Taipei CNA in English*  
1616 GMT 28 Feb 89

[Text] Taipei, Feb. 28 (CNA)—Premier Yu Kuo-hwa told the Legislative Yuan Tuesday that the government will give top priority to increasing public investment, stabilizing commodity prices and balancing foreign trade in its future economic policies.

In his administrative report to the national legislature, Yu also outlined the Republic of China Government's policy and positions on external relations, political reforms and relations with the Chinese Mainland.

The premier pointed out that the period from now until the end of the century is crucial to the nation's future economic development. "It will be a period of difficulties and challenges, but it will also be a period of hope and opportunity," he said.

The ROC will be able to enter the ranks of developed countries by the turn of the century, with a per capita gross national product (GNP) estimated to reach U.S. dollars 13,000, if the nation continues its policy of economic liberalization and if the people work as hard in the future as they have during the past four decades, he noted.

To achieve the goal, Premier Yu said, the government will also focus its efforts on improving the domestic investment environment and on helping local industries adjust their business structures, he added.

The government will seek to stimulate economic development by significantly expanding spending on public investment, with a preliminary 1989 target of NT [new Taiwan] dollars 385 billion (US dollars 13.9 billion), NT dollars 100 billion more than last year, YU said.

More noteworthy, he stressed, the public investment will not be limited to economic development projects but will also include environmental protection and social welfare projects.

On the stabilization of commodity prices, Yu said the government plans to keep the growth of the consumers price index below 3 percent this year. To make this possible, the government will undertake a series of measures, including the further lowering of import tariffs which will bring the real average tariff rate down from the current 5.5 percent to 3.5 percent within four years.

As to the government's goal of balancing foreign trade, the premier said the government has plans to narrow its trade gap with its foreign trading partners. The plans will seek, at the same time, to diversify foreign markets and to promote trade relations with the U.S., Japan, Europe, and Southeast Asia.

Turning to diplomatic issues, he reiterated that the ROC will adopt more flexible approaches and realistic attitude in seeking to play a bigger role on the world stage.

"Our diplomatic efforts will be concentrated on one clear goal: Letting the world see the strength of the ROC and hear the voice of the ROC so that they will acknowledge the nation's status and respect the nation's rights and interests," Yu noted.

As a result of the efforts, the ROC has successfully developed substantive relations with more than 120 countries and its latest diplomatic campaign to further improve relations with foreign countries has received many positive responses, he added.

Premier Yu pledged that the government is determined to promote the development of constitutional democracy on Taiwan in the shortest time possible, but he also reaffirmed the government's resolution to maintain social order and to safeguard the dignity of the law.

On relations between the two sides of the Taiwan Strait, Yu said the ROC has adopted many open and realistic actions recently. It is a pity that the Chinese Communists have not only failed to respond positively to these actions but have intensified pressure on the ROC to unilaterally concede and to bow down before the Peiping regime.

The premier stressed that the ROC Government will continue to uphold its position that "there is only One China," but it will also continue to insist that China should be reunified under desirable political and economic system which will give all Chinese freedom, democracy and economic prosperity.

**Premier Yu Comments on Currency Appreciation**  
*OW0203093989 Taipei CNA in English*  
1555 GMT 1 Mar 89

[Text] Taipei, March 1 (CNA)—Premier Yu Kuo-hwa on Wednesday dismissed as rumors reports that the new Taiwan [NT] dollar would appreciate to a "bottom line" of 25.5 per U.S. dollar.

He said the appreciation or depreciation of the ROC currency depends completely on market demand, that is, on supply and demand.

"If supply and demand are balanced, it doesn't matter how great the pressure might be from outside," he asserted.

He made his remarks at a cocktail party celebrating the 20th anniversary of the research, development and evaluation commission.

He said the business community does not need to panic over the NT dollar's rise in value against the greenback.

He said many people here will want to sell their dollars when they hear rumors that the new Taiwan dollar is about to appreciate. A surplus of U.S. dollars on the market naturally drives the local currency up, he added.

Commenting on his recent visits to small and medium-sized enterprises, he said he was confident of their future as the majority of them are making efforts to upgrade their product and to automate production.

On reports that some enterprises are moving production to foreign countries, the premier said this is just a natural trend.

He revealed that the Economics Ministry is mapping out a plan to link these new off-shore factories to domestic production lines, a plan which he said will benefit both.

**Radio Commentary Views Li Talk on Corruption**  
*OW0603100989 Taipei International Service*  
*in English 0200 GMT 25 Feb 89*

[Station commentary: "Li Talks About Order and Corruption"]

[Text] President Li Teng-hui broke a precedent on Thursday [23 February] by attending and speaking at a session of the Constitutional Research Committee of the National Assembly. Though he is an ex-official of the committee, Li normally would follow in the footsteps of his predecessors and not attend the meeting in person.

The committee meets quarterly. It was the first time in 23 years that an ROC [Republic of China] president attended the committee meeting. Commentary for the Voice of Free China, this is Joanna Fu.

This was a case in which Li apparently decided that the opportunity to urge the assemblymen to action could not be passed by. The president used the occasion to sound off about his administration's commitment to stamp out corruption and maintain order in society. Li told the meeting attendees that the government has already mapped out a plan to deal with rising social disorder. In the past year or so, wildcat strikes, violent crime, and street protests by the political opposition have caused ripples in Taiwan's stability. The president asserted that much of the labor unrest and even some of the environmental protests have been organized by gangs bent on sowing instability for political purposes. He said evidence for this is clear and the government will take stronger action against those who are responsible. Li said that the government has been lenient more often than not during this time of social, economic, and political transition on Taiwan. But the time has come to take a harder line on such detrimental activities.

The president's view is supported by any number of public opinion surveys taken recently. All show that social disorder, a rise in violent crime, and social unrest caused by incessant political protest have people somewhat down in the doldrums about Taiwan's future. It is not ironic that most blame the government. It is ironic that they feel the government is not taking a hard enough stance against the troublemakers.

Li also used the rare speaking engagement to make a vow to eradicate corruption in government. He underlined the need for fair and strict evaluations for civil servants and for stern prohibitions on corruption and misappropriation of power by government employees with an eye toward building up a cleaner and more capable image for the government.

Li raised the issue, probably in response to a major scandal that has rocked the Taipei City Council. In it both the majority party and the major opposition party have councillors detained for allegedly taking bribes from a developer. Li was right on the mark when he

warned that social imbalance and disorder emerging during the transition period on Taiwan are inconveniencing the public and will, in the long run, lead to an erosion of public morale and undermine economic development. This condition must be corrected and improved now, he said.

Li's decision to attend the meeting provides ample proof that his administration means business on combating the twin problems of corruption and social disorder. Now that he is on the public record on these issues, he must now provide action. That is probably what he intended by making this rare appearance at this meeting.

**President Li Calls for Stable Commodity Prices**  
*OW0303004889 Taipei CNA in English 1623 GMT*  
*2 Mar 89*

[Text] Taipei, March 1 (CNA)— President Li Teng-hui instructed the Cabinet Wednesday to pay close attention to fluctuations in domestic commodity prices and to work out countermeasures to ensure stable economic development.

President Li's directive, issued during Wednesday's National Security Council meeting, came as prices for such commodities as milk powder and flour have been rising on local markets.

Following Premier Yu Kuo-hwa's briefing, both Finance Minister Shirley Kuo, and Director-General Yu Chien-min of the Directorate General of Budget, Accounting and Statistics reported on the central government's budget for fiscal 1990 which begins on July 1, 1989.

While favoring the proposed government budget, President Li also made several specific suggestions.

According to the planned budget, annual government spending will reach NT [new Taiwan] dollars [dollars] 699.8 billion (U.S. dollars 25.2 billion), up 24.6 percent for the previous fiscal year. Li said that the significant climb in government expenditures, a record for the past decade, is proper because it will help offset the adverse impact of the sluggish international economy by increasing domestic demand.

The president was pleased to see that in fiscal 1990 government expenditure for education as well as science and cultural development will account for 15 percent of annual spending, the level stipulated by the Constitution of the Republic of China [ROC].

Li also gave his approval to the continued implementation of such programs as the military build-up, infrastructure construction, social security, and environmental protection.

Although the ROC's economy is expected to grow 7.12 percent during 1989-1990, inflationary pressure on local commodity prices is great, Li warned.



Unfavorable factors include continued increases in foreign exchange reserves and the hikes in wages and imported goods. Li therefore called for the preparation of countermeasures to cope with the upward pressure on commodity prices.

In addition, Li asked responsible government agencies to thoroughly carry out the major construction plans, most of which are lagging behind schedule because of labor shortages.

**Yu Kuo-hua Cited on 'Good Investment Environment'**  
OW0403044389 Taipei CNA in English 0306 GMT  
4 Mar 89

[Text] Taipei, March 4 (CNA)—Premier Yu Kuo-hua pledged Friday that his cabinet would "make all-out efforts to create a good environment for investment."

He admitted that the Republic of China's [ROC's] future economic development hinges on a good investment environment.

In answer to an interpellation by Legislator Liao Fu-pen of the ruling party, Yu said the Government will continue to encourage domestic investment because the nation's economic structure is going through a transition period.

He told a Legislative Yuan session that the Government is doubling its efforts to write laws governing the rights and obligations of both labor and management.

The laws will be strictly enforced in order to protect workers' interests and to encourage investment willingness as well, he added.

Besides bringing harmony to labor-management relations, he said the Government would also assist private sector investment projects which encourage ecological protection.

In reply to another KMT [Kuomintang] lawmaker's query, Yu said that sharpening the competitive edge of local products on the international market is the only solution for the embattled economy.

He said the Government has already started to raise the country's industrial levels and to develop technological intensive enterprises in a bid to upgrade the manufacturing structure.

He said the ROC's high-tech industries are, for the most part, booming and traditional labor-intensive industries are revamping themselves toward greater automation and higher-quality goods.

**Foreign Minister Lien Cited on One China Policy**  
OW0603105289 Taipei CHUNG YANG JIH PAO  
in Chinese 24 Feb 89 p 1

[Text] Foreign Affairs Minister Lien Chan yesterday expressed the hope that in the future the Republic of China will take part in international activities and expand its foreign relations in a more active, practical, and farsighted manner. Through economic cooperation and sharing of successful experiences, we will carry on the goal of mutual assistance and prosperity for mankind.

The 86th session of the Constitutional Research Committee of the National Assembly opened at Chung Shan Hall in Taipei yesterday. Foreign Affairs Minister Lien Chan was invited to deliver a report on a special topic at the meeting. Lien Chan's report is entitled: "International Situation and Foreign Affairs."

Analyzing the current complicated international situation, Lien Chan pointed out: Although the relations between the United States and the Soviet Union are outwardly growing more relaxed, the United States will continue to assume a very prudent policy toward the Soviet Union. However, the future "normalization" of relations between the Chinese and Soviet communists and its influence on the free world merit our attention. Minister Lien Chan emphatically pointed out: There will be a tendency of multilateral international relations in political and economic affairs in the future and more regional economic cooperation in the world. The economy in the Asia-Pacific region will attract greater attention, and all countries will emphasize actual economic and trade benefits in developing foreign affairs.

In the light of the united front activities of the Chinese communists, Minister Lien Chan then pointed out that the Chinese communists have never stopped their united front offensive against us in international society and their attempts to diminish our international status and lower our international prestige. To this end, the Chinese communists have done their best to undermine our bilateral and multilateral relations with foreign countries and have taken strong measures to nullify our membership and harm our legitimate rights in international organizations. Recently, the Chinese communists have stepped up their advocacy of "peaceful unification" and criticism against our foreign policy in an attempt to confuse international opinion.

Minister Lien Chan once again emphatically pointed out: In the face of the scheme of the Chinese communists, the Government of the Republic of China will, in the future, continue to adhere to its basic policy of "one China," use its actual strength, practice tactics to actively expand relations of cooperation with all friendly countries, and protect and strengthen our international position. We will never yield to any threat and interference by the Chinese communists.

**Kuomintang Announces 'Major' Party Reshuffle**  
*OW0503090489 Taipei CNA in English*  
1610 GMT 4 Mar 89

[Text] Taipei, March 4 (CNA)—The ruling Kuomintang [KMT] announced Saturday a major party reshuffle in which a large number of parliamentarians were assigned to important posts in the Central Committee, which runs the KMT's daily affairs.

The reshuffle was formally approved by the party's central Standing Committee in a meeting Saturday, a KMT spokesman said after the meeting.

During the meeting, the KMT policy-making body also decided to put the Central Policy Coordination Committee and the Central Committee in a bid to integrate party organization and strengthen party leadership.

Lin Tung, a senior legislator and chief secretary of KMT caucus in the Legislative Yuan, was appointed director of the Policy Coordination Committee, the announcement said. Lin, 75, of Kiangsu Province will fill the vacancy left by Liang Su-yung, who has been elected vice president of the Legislative Yuan.

Lin's two deputies in the Legislative Yuan caucus—Yao Ying-chi, 55, of Taiwan; and Li Tsung-jen, 55, also a native Taiwanese—were appointed deputy directors of the Policy Coordination Committee, it said. The move will increase the number of deputy chiefs of the committee to six.

In a related appointment, Legislator Huang Tse-ching, 55, of Taiwan Province, was assigned to replace Lin as chief secretary of the Legislative Yuan caucus.

The announcement added that Legislator Tiu Sung-fan will replace the retiring Chang Tsung-tung as the director of the Central Committee Secretariat. Liu, 58, of Taiwan, is now deputy chief of the Policy Coordination Committee.

The central Standing Committee also appointed three new deputy directors of the Central Committee's Departments of Organization, Cultural and Woman's Affairs respectively. They are national Assemblyman Hsieh Lung-sheng, 48, of Taiwan; Legislator Jaw Shau-kong, 39, of Henan Province; and Prof. Ling Cheng-chih, 50, of Taiwan.

## Macao

**Soares Continues Visit; To Leave for Hong Kong**  
HK0303064989 Hong Kong HONGKONG STANDARD  
in English 3 Mar 89 p 2

[By Harald Bruning]

[Text] Portuguese President Dr Mario Soares was yesterday made honorary citizen of two islands off the Macao peninsula on the third day of his visit to the enclave.

Dr Soares started on what was described as a marathon walkabout on the two islands Taipa and Coloane and Macao peninsula at 10 am.

During the walkabout, thousands of Macao residents held out their hands to greet him and many held out flowers—and petitions.

On his visit to the University of East Asia, he spoke at the inauguration of the government-run degree course for public administration.

The course, he said, was vital for the autonomous future of Macao within the framework of the Sino-Portuguese Joint Declaration.

He repeatedly spoke of the importance of the teaching of Portuguese and Chinese at the university.

If the Portuguese language was not promoted in the run-up to 1999, the legal and judicial systems could hardly be maintained intact, he said.

He made no secret of his disappointment when he toured the library and saw few Portuguese books.

During the tour of the university, a group of Portuguese and Macanese students handed him a petition asking for help in getting their degrees recognized in Portugal.

Dr Soares was later shown the New Taipa City project by Mr Stanley Ho and he visited the proposed site of the new airport.

On returning to Macao peninsula, he visited the Sao Lazaro district, a public housing estate, where he inaugurated the postal service by sending a letter to his wife and opened a kindergarten.

The president is to meet the enclave's newspaper publishers, chief editors and correspondents this morning before leaving for Hong Kong this afternoon.

He will visit the Governor, Sir David Wilson, tomorrow before returning to Lisbon on Sunday.

**Appeals for Smooth Handover**  
HK0403053289 Hong Kong SOUTH CHINA  
MORNING POST in English 4 Mar 89 pp 1, 2

[Text] Portugal's President Mario Soares yesterday appealed to the Portuguese community to play a more positive role in ensuring a smooth handover to Chinese rule.

"It is unforgivable that some narrow interests are endangering the stability of Macao," Mr Soares said at the end of his four-day visit to the enclave.

Political analysts said the president was referring to the less than 10,000 Portuguese in Macao who had expressed doubts about China's ability to run the 400-year-old colony when it resumed control in 1999.

Mr Soares said he would call a special meeting of the state council, an advisory body of Portugal's top statesmen, to discuss the transition and formulate policies to boost development in Macao.

Throughout his trip, Mr Soares continually stressed his confidence in the Sino-Portuguese declaration on Macao's post-1999 future.

He said he would not allow Macao to become a political football for opposing parties to kick around.

"Macao is a national question not a political question and should be handled as such," he said.

Analysts said the presence of Portugal's deputy prime minister, Eurico de Melo, indicated that recent political differences between Mr Soares and the Lisbon Government did not include Macao and that Lisbon was united in ensuring a stable transition.

The president also pledged that Lisbon would ensure Macao kept its identity intact after 1999.

"Macao has a key role in helping to keep alive the signs of Portugal's presence in Asia," he said.

He said Macao could become Asia's fifth economic "dragon" as long as Portugal maintained its presence in the territory.

Mr Soares said a planned airport, deep-water harbour and other ambitious development projects were the key to a smooth transition.

He pointed to the boom in tourism in the territory and plans to develop a large area of reclaimed land that would expand Macao's industrial base.

"The idea is to assure the Portuguese and Chinese residents of Macao that all can be the same after 1999," he said. "This is the message I brought."



Mr Soares has expressed concern over the number of Portuguese, Macanese and people of mixed Portuguese-Chinese descent, who have emigrated since Beijing and Lisbon signed a 1987 agreement on the handover of the territory.

He said Macao's 50 years of autonomy after 1999 under Beijing's one country, two systems concept was aimed at transforming it into an economic "dragon" like Hong Kong, Taiwan, Singapore and South Korea and a motor for the Chinese economy.

"This is why they (China) want Portugal's economic influence and juridical system maintained in Macao in the first 50 years of the 21st century," he said, adding that Lisbon and Beijing shared the same views.

Mr Soares reaffirmed his support for Governor Carlos Melancia, who he appointed in 1987 and who has faced criticism, over his handling of Macao affairs, but did not rule out possible changes in his government.

"We will make policy adjustments," he said, without elaborating.

He said Lisbon and Beijing's joint liaison group were "negotiating" on the key issues of making Chinese a second official language in Macao and of localising the Portuguese and Macanese-led civil service and legal sector.

Work had begun on translating Macao's Portuguese legal codes, he added.

Mr Soares noted with satisfaction the warm greeting given to him by local Chinese residents, stressing that Macao, settled by Portugal in 1557, was "never a colony" but a Chinese territory under Portuguese administration.

He said holders of Portuguese passports in the enclave would be treated exactly the same as other Portuguese and that he had explained the situation to co-members of the European Community.

Under the 1987 pact, Portugal promised all Portuguese citizens in Macao that they could maintain their nationality and pass it on to their descendants.

Mr Soares was due to stay about 30 hours in Hong Kong and was to meet Governor Sir David Wilson this morning before flying to Lisbon.

He said he would exchange views with Sir David on China.

Analysts said the issue of Macao's airport, which would be completed in 1993 and possibly vie with a second airport planned for Hong Kong, would be on the agenda.

#### Basic Law PRC Responsibility

HK0603052589 Beijing ZHONGGUO XINWEN  
SHE in Chinese 1224 GMT 3 Mar 89

[Report: "Portuguese President Says Formulation of Macao Basic Law Is a Chinese Responsibility and Portugal Will Give Cooperation"—ZHONGGUO XINWEN SHE headline]

[Text] Macao, 3 Mar (ZHONGGUO XINWEN SHE)—Portuguese President Soares, who is visiting Macao, today indicated that China is responsible for the formulation of the Macao Basic Law and Portugal will pay attention to this matter and will cooperate with China.

He said: Macao's future will depend on the Basic Law. Both China and Macao hope that social stability will be maintained in Macao and that no riots will happen, and both sides hope to solve problems through dialogue. The Basic Law Drafting Committee includes many Macao representatives, so it is believed that the drafting work will progress smoothly.

He made the above remarks when answering questions at a meeting with responsible people of various mass media institutions in Macao.

In response to a reporter's question about making the civil service Macanese, Soares said that according to the stipulation of the Sino-Portuguese Joint Declaration, it is necessary to train the personnel as quickly as possible so as to create conditions for local people to handle local affairs in Macao and ensure that Macao's judicial and economic systems can continue to operate after 1999. He said it is important that more civil servants be Macanese, and the Sino-Portuguese Joint Liaison Group will study this issue.

When talking about the stability of the senior officials in the Macao Government, Soares said that it is essential to maintain the stability of the leadership of the Macao Government, and the Chinese leaders are also aware of this issue. Portugal and China have reached a certain consensus of opinion on this issue.

This afternoon, Ma Wanqi, chairman of the Chinese Chamber of Commerce in Macao, gave a banquet in honor of Soares. Ma Wanqi said that Soares' visit is of positive significance for maintaining Macao's prosperity and stability. Soares reiterated that Portugal will strictly abide by the Sino-Portuguese Joint Declaration. He stressed that the implementation of the Joint Declaration is in line with the overall interests, and the overall interests must be placed above any individual interests.

This afternoon, the Portuguese president and his entourage finished the 4-day visit to Macao and left for Hong Kong. It was disclosed that before he returns home, Soares will meet with Hong Kong Governor David Wilson.

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